

AR91



More per acre...

the long-term food solution



08

Summary Annual Report



More people.

More income in developing nations.

More demand for food, including protein.



Our vision

Play a key role in the global food solution while building long-term value for all our stakeholders.

Our goals

- Be the preferred supplier to the markets we serve
- Maximize long-term shareholder value
- Build strong relationships with and improve the socioeconomic well-being of our communities
- Attract and retain talented, motivated and productive employees who are committed to our long-term goals
- Prevent harm to people and damage to the environment

Company profile

PotashCorp is an integrated producer of fertilizer, industrial and animal feed products. We are the world's largest fertilizer enterprise, producing the three primary plant nutrients: potash, phosphate and nitrogen. Among these, potash – the main focus of our business – delivers the highest quality earnings. With large low-cost operations, plans to expand capacity significantly and strategic global investments, we have an unmatched ability to meet the needs of North America and growing offshore potash markets.

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Less land per person.

The need to produce enough food to sustain a hungry and increasingly crowded planet has given farmers a critical mandate: find a way to make less equal more.

While many answers to this great challenge are yet to be found, we know fertilizer will be an essential part of any global food solution.

And so will PotashCorp.

Performance Highlights

(\$ millions, except per-share data and percentages)

	2008	2007	2006	2005	2004	5-Year CAGR ¹	10-Year CAGR
Financial Position							
Current assets	2,267.2	1,811.3	1,310.2	1,110.8	1,243.6		
Property, plant & equipment	4,812.2	3,887.4	3,525.8	3,262.8	3,098.9		
Other long-term assets	3,169.4	4,017.9	1,381.0	984.3	784.3		
Total assets	10,248.8	9,716.6	6,217.0	5,357.9	5,126.8		
Current liabilities	2,615.8	1,001.9	1,103.5	1,096.1	703.7		
Long-term debt	1,739.5	1,339.4	1,357.1	1,257.6	1,258.6		
Other long-term liabilities	1,304.6	1,356.6	976.1	871.7	778.9		
Shareholders' equity	4,588.9	6,018.7	2,780.3	2,132.5	2,385.6		
Total liabilities & shareholders' equity	10,248.8	9,716.6	6,217.0	5,357.9	5,126.8		
Financial Results							
Sales	9,446.5	5,234.2	3,766.7	3,847.2	3,244.4	28%	14%
Gross margin – Potash	3,055.5	912.3	561.1	707.4	422.8	72%	25%
Gross margin – Phosphate	1,114.5	432.8	125.3	98.9	15.8	73% ³	17%
Gross margin – Nitrogen	737.4	536.1	315.6	318.7	242.8	31%	28%
Total gross margin	4,907.4	1,881.2	1,002.0	1,125.0	681.4	67%	23%
Net income	3,495.2	1,103.6	631.8	542.9	298.6	101% ³	30%
Net income per share – diluted ²	11.01	3.40	1.98	1.63	0.90	100% ³	30%
Cash provided by operating activities	3,013.2	1,688.9	696.8	865.1	658.3		
Additions to property, plant & equipment	1,198.3	607.2	508.6	382.7	220.5		

¹ Compound annual growth rate

² Adjusted for a two-for-one stock split in August 2004 and a three-for-one stock split in May 2007

³ 2003 result was negative, therefore 6-year CAGR used

5

Consecutive years
of record earnings

\$3.0 billion

Cash flow from operating activities

169%

Increase in average realized
potash price year over year

2008 Overall Gross Margin

\$4.9 billion



GROSS MARGIN

Record performance continued for all three nutrient segments, with overall gross margin reaching \$4.9 billion, far surpassing last year's total of \$1.9 billion.

Potash

Potash gross margin was \$3.1 billion, more than triple the \$912.3 million generated in 2007.

This record performance was achieved largely on the strength of realized potash prices, which far more than offset a 9 percent decrease in year-over-year potash sales volumes. Annual per-tonne potash prices rose 169 percent above last year's level, with fourth-quarter realized prices averaging \$625 per tonne. Driven by tight long-term supply/demand fundamentals, this strong pricing – even under difficult global economic circumstances – illustrates a key advantage of the potash business model.

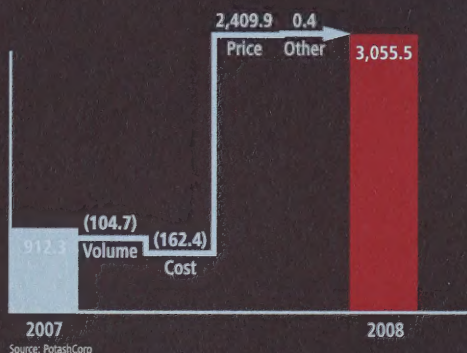
Phosphate and Nitrogen

In phosphate and nitrogen, as in many businesses, 2008 was a story told in two parts.

Despite higher raw materials costs, robust demand and prices in the first three quarters led to full-year gross margin records in both nutrients: phosphate \$1.1 billion and nitrogen \$737.4 million. In the uncertain economic climate of the fourth quarter, however, weakened demand, rapidly declining raw material costs and growing inventories led phosphate and nitrogen producers around the world to lower prices, reducing performance industry-wide.

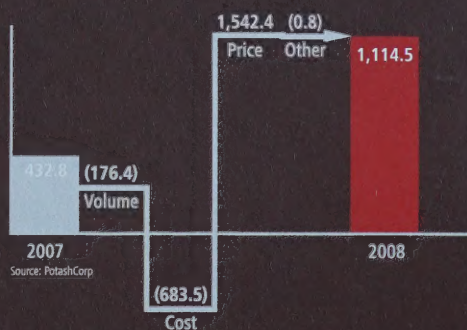
POTASH GROSS MARGIN CONTRIBUTORS

\$US Millions



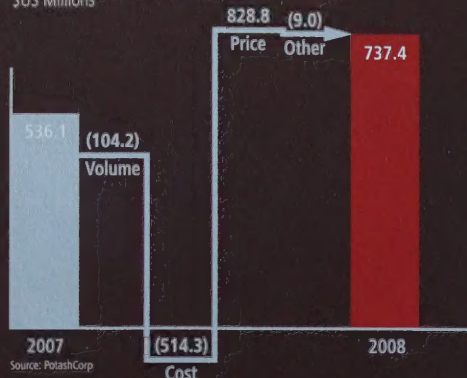
PHOSPHATE GROSS MARGIN CONTRIBUTORS

\$US Millions



NITROGEN GROSS MARGIN CONTRIBUTORS

\$US Millions



A close-up photograph of coffee beans in a sack. The beans are a mix of red and green, indicating different stages of ripeness. They are piled in a large, light-colored burlap sack. In the foreground, a few beans have spilled onto the sack's surface. The background is dark and out of focus, showing more sacks and possibly a person's hand, suggesting a coffee processing or sorting facility.

More

need for food production

Letter to Shareholders

Food Production Remains A Global Priority

The latter half of 2008 brought unprecedented challenges to world financial markets, and no industry – even those as essential as fertilizer and food – escaped untouched.

This financial turmoil dominated people's attention, while concern about the global food supply – a potentially devastating crisis that earned priority status earlier in the year – was pushed out of the spotlight. The prospect of food shortages has dire implications, and the fact that this has been bumped from the headlines does not mean it has been resolved. The long-term need to increase food production remains a critical issue.

PotashCorp's products are integral to protecting the global food supply, and the need to produce higher yields per acre represents a significant opportunity for your company.

In recent years, we have benefited from growing demand and higher prices for our fertilizer products, especially potash. This helped us achieve a fifth consecutive year of record earnings in 2008.

Yet even with long-term food consumption trends that are hard to dispute, our industry was affected by the widespread loss of confidence in the global economy. Despite robust grain demand and extremely low inventories relative to use, crop commodity prices were caught up in the freefall. Farmers, like other consumers, reacted by holding on to their capital and deferring fertilizer purchases.

Diverting focus and resources away from food production – even in the short term – will result in greater need. When attention returns to the food crisis, the challenges will have grown.

We believe this will further increase the need for and value of the crop nutrients we produce. With this understanding, your company has not wavered from the long-term strategies that led to our success over the past two decades and provide even greater potential for the future.

A Fundamental Issue

The world looks very different in the agricultural regions of China, India and Brazil than it does in headline coverage of financial issues.



WILLIAM T. DOYLE, PRESIDENT AND CEO

With global population growing by approximately 75 million people per year, the food supply is under extreme pressure. Many countries with the fastest growing populations also have the strongest economic growth, enabling more people to improve their diets by adding meat and protein-rich foods.

This requires more grain. In seven of the past nine years, world grain production has fallen short of consumption. As a result, global inventories are low. Current grain stocks would feed the world for just over two months, compared to the greater than three-month cushion averaged over the past 30 years. This reduction puts the world food supply at risk.

Simply put, more food must be produced on a land base that is being squeezed by global development – and the only practical solution is to improve agricultural yields. This has raised interest in and awareness of the essential role of fertilizer in food production. While the financial crisis meant demand for our products was deferred through the fourth quarter of 2008 and the early months of 2009, we expect the need for them will continue to grow.

Letter to Shareholders (continued)

To prepare for this growth, we continue to build our potash capacity. Adding to previously announced debottlenecking and expansion projects, we have expanded our plans at Allan, Cory and Rocanville to get the most out of our existing operations. In total, we are investing CDN \$7 billion to raise our constructed capacity to 18 million tonnes by the end of 2012.

As we have in the past, we will bring on this capacity when it is needed, remaining true to our long-held strategy of matching production to market demand. We demonstrated our commitment to this late in 2008 when we announced plans to curtail 2 million tonnes of production in early 2009 in anticipation of reduced demand during the first quarter.

We will not push our products into markets when there is a lull, but we will be prepared as demand growth returns. We expect a new surge to begin during the second half of 2009 – and we will be ready to capitalize on the opportunity.

Producing Financial Performance

By using our resources, particularly potash, when they have the greatest value, we have continued to improve our financial performance.

In 2008, we earned a record \$11.01 per share, or \$3.5 billion, more than triple our 2007 net income. Gross margin grew to \$4.9 billion – a \$3 billion increase over 2007 – as all our nutrients made record contributions.

Significantly higher prices for potash are at the heart of this record performance. Our average realized price of \$625 per tonne in the fourth quarter of 2008 was nearly four times our average price of 2007. More importantly, these price gains held up late in the year, even as the financial turmoil triggered a chain of events that led to a sharp decline in phosphate and nitrogen prices.

Potash buyers have recognized that strong and sustainable pricing is required to encourage much-needed long-term investments in capacity. With our unmatched capability in potash, this represents more opportunity for our company.

Pursuing Our Full Potential

As pleased as we are with our 2008 performance, we believe it only hints at what we can achieve. The world will need more fertilizer, especially potash. With no significant greenfield projects underway, and factoring in new

production from all announced capacity expansion projects, the global potash supply is expected to be challenged for at least the next five years.

That should support stronger pricing and even greater financial performance. We anticipate higher prices and will soon have the capability to produce up to 18 million tonnes. While this is not a forecast, we believe it is possible that price increases and demand could elevate our annual potash gross margin toward \$25 billion in the years ahead.

We believe our potash advantage separates us from other companies in our industry, and we will use this in the pursuit of greater returns for our shareholders.

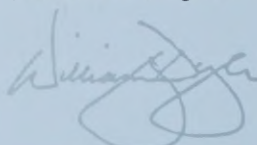
A Long-Term Commitment

As a company, we remain unfailingly focused on the long-term demand for our products and the potential it holds. Accordingly, we base our business decisions on maximizing value – not quarter by quarter, but over an extended period of time. This includes building strong and lasting relationships with all our stakeholders, as we understand how we nourish each other's growth.

Our Board of Directors has both supported and challenged our vision and plans, ensuring we maintain the high standards and strong reputation that have been established by our performance. The strong leadership we receive is important to our continued success.

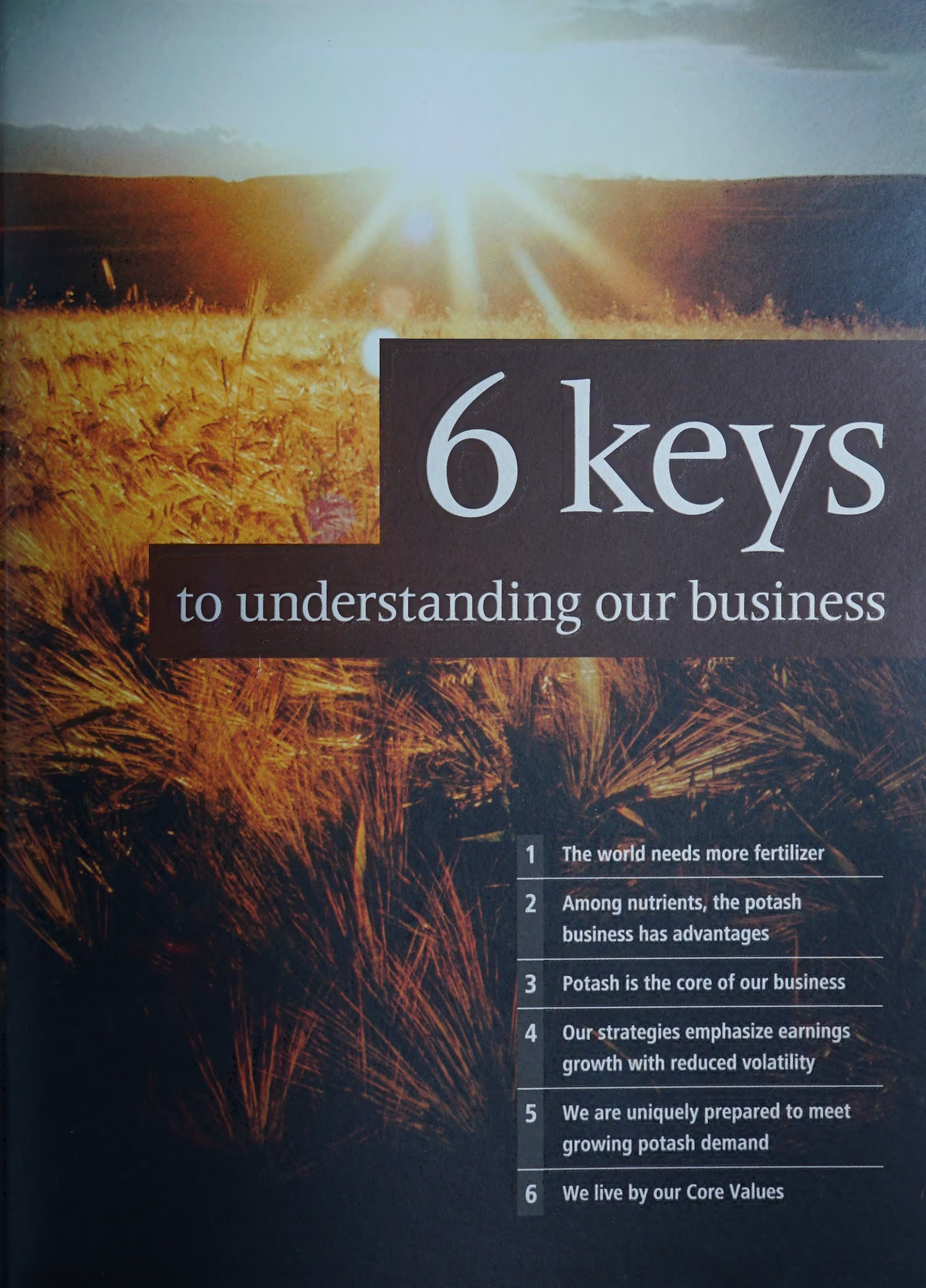
We have abundant reserves and will use them to help the world's farmers meet the challenge of feeding an ever-growing population. Not only will this allow us to serve the needs of our customers and communities for generations to come, it will enhance our ability to reward you for providing the capital needed to fulfill the noble cause of food production.

We look forward to continuing on a path of strong financial performance and greater returns for our shareholders.



William J. Doyle
President and Chief Executive Officer

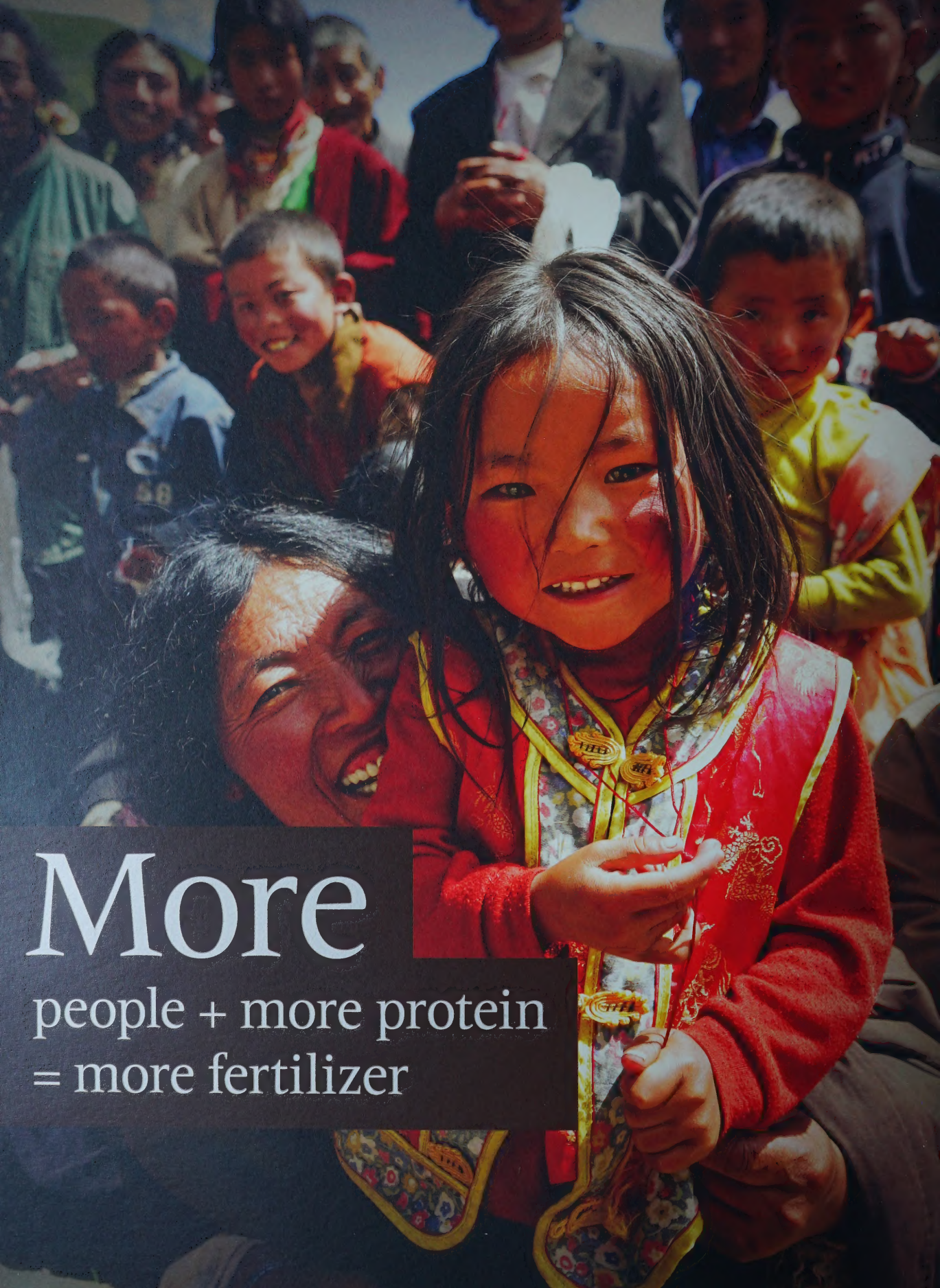
February 20, 2009



6 keys

to understanding our business

- 1 The world needs more fertilizer
- 2 Among nutrients, the potash business has advantages
- 3 Potash is the core of our business
- 4 Our strategies emphasize earnings growth with reduced volatility
- 5 We are uniquely prepared to meet growing potash demand
- 6 We live by our Core Values



More

people + more protein
= more fertilizer

KEY 1

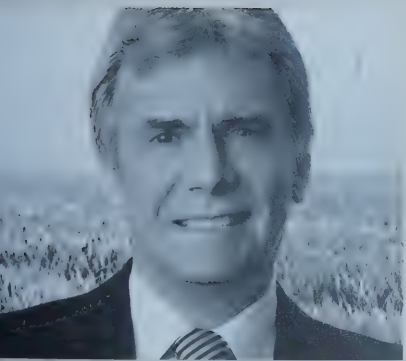
The world needs more fertilizer

It's a picture of growth – and necessity.

Global population grows by 75 million every year as it rises toward an expected 9.2 billion by 2050. Consumption of meat and other sources of protein – which require substantial grain to produce – continues to climb as millions of people in developing nations gain purchasing power. Available agricultural land per person shrinks as cities and populations expand, while poor fertility practices continue to keep soils underproductive in much of the world.

The result? Demand for grain has outpaced production for seven of the past nine years, forcing countries to deplete grain stocks to meet their immediate needs and leaving stocks-to-use levels near historical lows.

The world needs to find a sustainable way to produce more food for more people on limited land. The world needs more fertilizer.



Executive Vice President

"We're witnessing an unprecedented period of global growth, creating new opportunities for people to enrich their diets, and for our company to grow."

		
• Mined from evaporated sea deposits • As fertilizer: improves root strength and disease resistance, enhances taste, color and texture of food • As feed: aids animal growth and milk production • Used in industrial products (food products, soaps, water softeners)	• Mined from ancient sea fossils • As fertilizer: aids in photosynthesis, speeds crop maturity • As feed: assists in muscle repair and skeletal development • Used in industrial products (soft drinks, food products, metal treatment)	• Synthesized from air using steam and natural gas • As fertilizer: builds proteins and enzymes, speeds plant growth • As feed: essential to RNA, DNA and cell maturation • Used in industrial products (plastics, resins, adhesives)
POTASH K	PHOSPHATE P	NITROGEN N



World markets

CHINA

China uses more fertilizer than any other country, with farmers often double- and triple-cropping to grow rice, fruits and vegetables for its 1.3 billion people.

In the coming years, China plans to raise its annual grain production by approximately 10 percent, or 50 million tonnes. To achieve this growth, its government is taking important steps to encourage productivity and modernize the country's agricultural practices. In addition to doubling agricultural subsidies to improve returns to farmers, it is raising minimum prices for key commodities such as wheat and rice. It is also beginning to allow the transfer of land-use rights, which should ultimately lead to larger and more efficient farms.



Key findings

- China's fertilizer consumption has increased by 100% since 1980.
- The average height of urban Chinese has increased by 4 cm since 1980.
- The average height of Chinese adults has increased by 3 cm since 1980.

NORTH AMERICA

The US and Canada are major suppliers of food and fiber, with the US accounting for approximately 40 percent of total global trade in wheat, corn, soybeans and cotton. Both countries are among the world’s most efficient agricultural producers.

Rising global food demand and domestic biofuel mandates have created competition for limited farmland and driven crop prices beyond historical levels. This has led US farmers to achieve record earnings in five of the past six years and reduced debt-to-equity ratios to all-time lows. A strong financial footing and low global grain inventories give them the ability and incentive to maximize crop production.

INDIA

India’s large population (1.1 billion) and growing incomes are driving the need for more food and better diets. With 17 percent of world population but only 11 percent of its arable land, and yields typically 20-50 percent of those on equivalent US cropland, India’s need for fertilizer is clear.

The Indian government recently set an agricultural sector growth target of 4 percent per year until 2012. To stimulate yield improvements, it has raised the minimum support price for rice by 40 percent in the current crop year and continues to heavily subsidize farmers for potash use.

BRAZIL

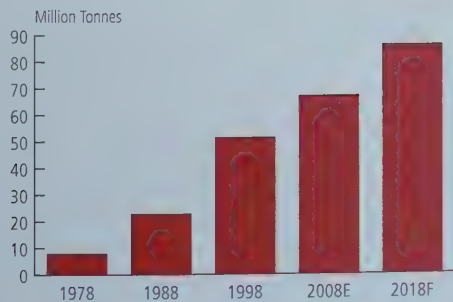
With land, water and labor available to increase crop and meat production, Brazil has become a virtual supermarket to the world. However, its soils are potassium-deficient and require potash to remain productive. Brazil supplies approximately 40 percent of China’s soybean market and is the world’s largest sugar cane producer with one-quarter of global production and plans for expansion. Corn, another potash-intensive crop, is also grown for export and to feed its expanding livestock industry.

Because agriculture is critical to Brazil’s GDP, its government has been working to overcome near-term economic issues by extending credit to agricultural producers. It is also investing in infrastructure and developing longer-term plans to encourage growth in crop production.

SOUTHEAST ASIA

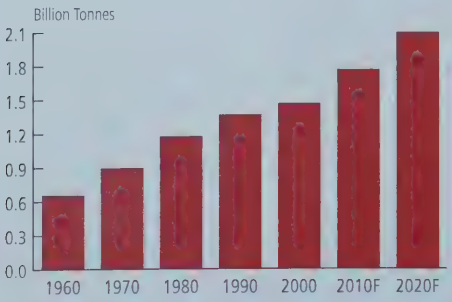
Southeast Asia is the world’s leading producer of oil palm and rubber, both nutrient-intensive crops. In the last 10 years, Indonesia and Malaysia have more than doubled their palm oil production, and it is expected to grow by almost 4 percent annually over the next decade, driven primarily by rising demand for edible oils in China, India and Southeast Asia.

CHINA MEAT CONSUMPTION



Source: USDA, FAO

GLOBAL GRAIN DEMAND





More
advantages in potash

KEY 2

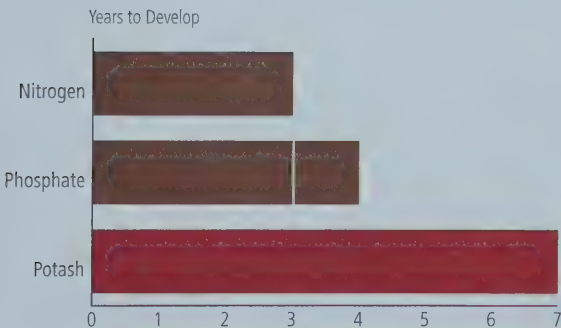
Among nutrients, the potash business has advantages

When it comes to the fertilizer business, not all nutrients are created equal. Potash – the quality nutrient – is unequalled in its ability to enhance the size, color and flavor of food. It increases a crop’s protein, oil and vitamin C content, improves storage and shipping qualities, and enhances the effectiveness of other nutrients within the plant.

It is also rarest of the three nutrients, with production occurring in only 12 countries and half of the world’s reserves located in Saskatchewan, Canada. Deposits are costly to access, with a price tag for a conventional 2-million-tonne mine in Saskatchewan estimated at CDN \$2.8 billion, not including related investment in roads, rail, utility systems, port facilities and other off-site infrastructure.

Fewer players and higher start-up costs are not the only benefits of the potash business. Minimum development lead times of seven years offer a longer view of the competitive horizon. With demand accelerating in developing nations, supply challenges are expected over the coming years as global producers continue to be pushed against their capacity limits.

With long lead times for additions to potash supply, the seven-year development period offers a longer competitive horizon and one of the key advantages of the potash business.



KEY 3

Potash is the core of our business

While our world-class phosphate and nitrogen assets make us the #3 producer in both industries, potash is the namesake of our company and the focal point of our business.

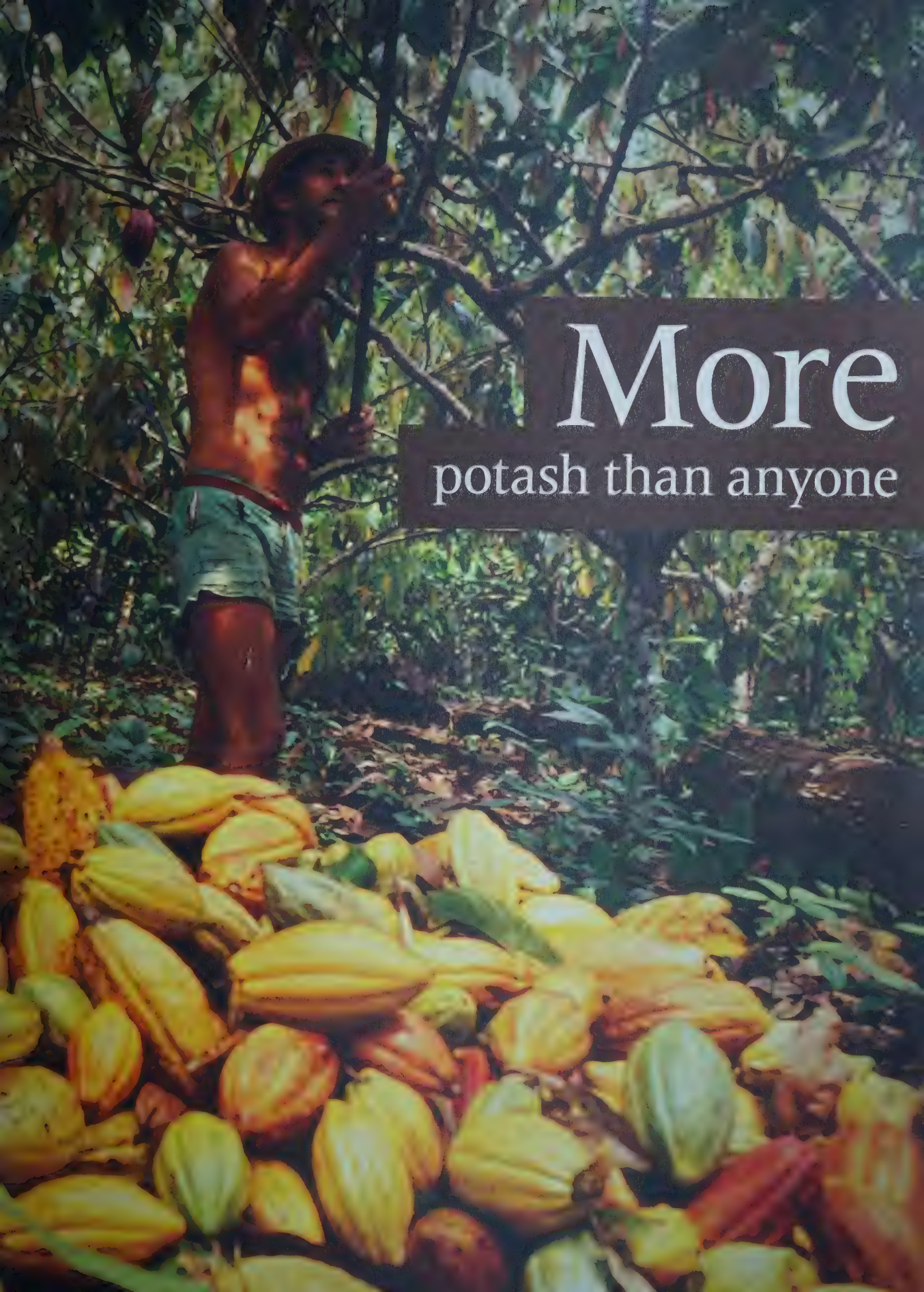
With 22 percent of global capacity at our Canadian operations, we have more potash than any other company – a position we’ve built patiently through acquisitions and internal investments.

We add to this strength with ownership interests in four global potash businesses:

- Arab Potash Company Ltd. (APC) in Jordan and Israel Chemicals Ltd. (ICL) in Israel, key producers and suppliers of potash to Mediterranean and East Asian markets.
- Sociedad Química y Minera de Chile S.A. (SQM) in Chile, a specialty potash, iodine and lithium producer.
- Sinofert Holdings Limited (Sinofert), the largest distributor of potash and other fertilizers in China.

These investments enhance our bottom line and better position us to benefit from growth in key world potash markets.



A man wearing a hat and shorts stands in a lush, green cacao grove. He is reaching up towards a branch, possibly harvesting. In the foreground, a large pile of harvested cacao pods is visible, showing various colors from yellow to green. The background is filled with dense foliage and trees.

More
potash than anyone

KEY 4

Our strategies emphasize earnings growth with reduced volatility

Potash First. It's a simple strategy – one that drives our business decisions and provides our best opportunity for long-term growth. With the greatest potential to grow volumes, realize higher prices and lower per-tonne fixed costs while reducing volatility, our potash business offers more earnings quality than other fertilizer businesses.

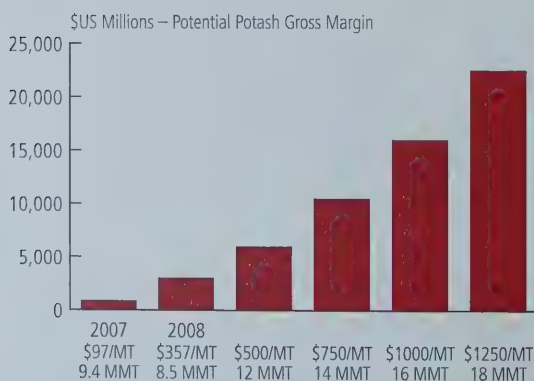
We prioritize choices that enhance our leading potash position, investing within and outside our company to best prepare for the opportunities that will arise as potash demand continues to increase. Our world-class phosphate and nitrogen businesses complement our Potash First strategy.

Our strategies within each nutrient segment are designed to use our competitive strengths to minimize volatility while maximizing margins:

Potash – match supply to market demand, a strategy we've followed for more than two decades.

Phosphate – optimize our product mix by using our high-quality rock to create the most profitable combination of fertilizer and less-cyclical feed and industrial products.

Nitrogen – leverage our lower-cost Trinidad natural gas contracts – which are linked to ammonia selling prices – to stabilize earnings and achieve cost advantages over US producers.



With solid supply-demand fundamentals, we expect 2018 to be the first five-year period of price and volume growth. Combined with our annual potash price increase toward \$25 billion.



More
earnings quality



More

potash growth

KEY 5

We are uniquely prepared to meet growing potash demand

With more potash capacity than any other global producer – and resources that enable us to add to that total more quickly and cost-effectively than most competitors – we are uniquely positioned to capitalize on the expected growth in demand.

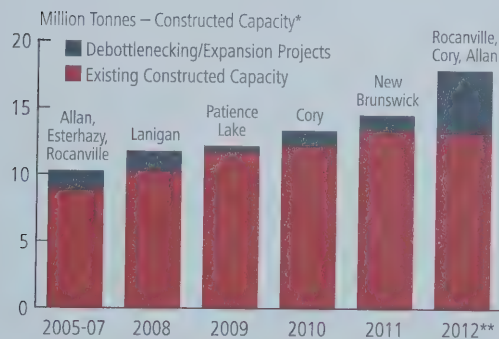
Anticipating tightening market conditions, we began plans to add to our capacity in 2003, leveraging our existing facilities to bring on new supply capability. Funded primarily by available cash flow, these expansions are growing even more valuable in a global climate marked by tightened access to credit and higher geopolitical risk.

By using our unparalleled assets and expertise to build on our competitive advantage, we improve our industry-leading position and provide long-term value for our stakeholders.



Executive V

"The world
per acre, and that
Our projects help
more quickly





LANIGAN: \$0.4 B 1.5 MMT

Completed mid-2008. Refurbished an idled mill, upgraded hoisting capability and other underground equipment.



PATIENCE LAKE: \$0.1 B 0.4 MMT

Solution mine will bring back idled capacity by adding injection wells and pumping and piping systems.

BUILDING OUR COMPETITIVE ADVANTAGE

Demonstrating our commitment to our Potash First strategy, we have undertaken debottlenecking and expansion projects that will add more than 10 million tonnes between 2005 and 2012, accounting for over half of industry capacity constructed during that period. This will enable our company to capture a significant percentage of new potash demand as it develops.

> 50%

of industry capacity constructed between 2005 through 2012



KEY 5 We are uniquely prepared to meet growing potash demand



CORY I: \$0.9 B 1.2 MMT

Two-phase debottleneck/expansion to storage, load-out and rail yard will accommodate new red product and higher volumes.



NEW BRUNSWICK: \$1.7 B 1.2 MMT

Positioned to serve South America, this East Coast facility is expanding production by developing a new mine and leveraging existing surface infrastructure.



ROCANVILLE: \$2.8 B 2.7 MMT
ALLAN: \$0.6 B 1.0 MMT
CORY II: \$0.2 B 1.0 MMT

Expansions to mill and mine facilities at Rocanville will include sinking a new shaft. Allan expansion follows 2007 debottleneck. Phase II of Cory expansion will raise site's capacity to 3 MMT.



POTASHCORP'S CAPACITY CONSTRUCTED

MMT

COMPETITORS' CAPACITY CONSTRUCTED

2010

2011

2012

CONSTRUCTION COMPLETION DATE



More
positive impact

Habitat
for Humanity
Volunteer

Habitat
for Humanity
BUILDING HOMES. BUILDING HOPE.

Erika

Jen

KEY 6

We live by our Core Values

Our Core Values define and guide the way we do business. They remind us that our responsibilities extend beyond financial performance, and beyond the walls of our facilities.

By committing to and living by our Core Values, we create long-term value for our shareholders, build support among stakeholders, engender accountability in our employees, deepen our relationships with customers and partners, and improve quality of life in our communities.

CORE VALUES

We hold all employees to the highest standards of business conduct. We treat people fairly and communicate promptly, completely and accurately with all stakeholders.

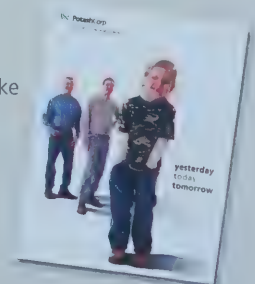
We strive to do no harm to people and no damage to the environment. Our commitment to safety and environmental stewardship is deeply embedded in our culture and operations.

We diligently monitor stakeholder feedback and cultivate relationships that keep us engaged with and responsive to the people upon whom our long-term success relies.

We refine practices throughout our operations to build value, increase efficiency and foster an atmosphere of responsive innovation.

We inform and train our employees and contractors to ensure they are committed to our vision and values. We teach safety to our communities and offer programs to explain how our products benefit the world.

We publicly set goals and objectives for our economic, environmental and social performance through initiatives like our triple-bottom-line sustainability report. We are accessible to all stakeholders, helping them understand the company's direction, values and progress.



2007 Sustainability Report
PotashCorp2007SR.com

PotashCorp Board of Directors

Front [L to R]

Calgary, AB
Owner and CEO of DSTC Ltd.

Winnetka, IL
President and CEO of PotashCorp

Back [L to R]

Dominican Republic
President of Inter-Quimica, S.A.,
Monte Rio Power Corp and
Indescorp, S.A.

Saskatoon, SK
Executive Chairman of
First Nations Bank of Canada

Calgary, AB
Retired President and CEO of Enform and
Chairman of the PCS Crown Corporation
from 1987 to 1989

Vancouver, BC
Corporate Director and former President
and CEO of Fincentric Corporation

Glenview, IL
President and CEO of S&C Electric Co.

Glencoe, IL
Director of Sinofert and Retired Partner
with Goldman Sachs

Robert Stromberg, QC

Jackfish Lake, SK
Formerly associated with the law firm
Robertson Stromberg Pedersen

Steven Holman

Lincolnshire, IL
Former senior executive
of IMC Global Inc.

Mary Maguire

Newcastle, ON
Corporate Director and former
Ontario Deputy Minister of Finance
and Natural Resources

Malcolm McCarty

Calgary, AB
Chairman and CEO of
Trimac Group of Companies



Keyword Online: Board Bios

Corporate Officers & Senior Management

L to R

Denis A. Simon

Vice President
and Corporate Controller

Denita L. Slano

Senior Director
Investor Relations

Joseph A. Donawick

Senior Vice President
General Counsel and Secretary

Robert A. Jagan

Senior Vice President
Information Technology

Daphne J. Aronson

Vice President
Internal Audit

Executive Vice President
and Chief Financial Officer

President and
Chief Executive Officer

President
PCS Phosphate and PCS Nitrogen

Executive Vice President
and Chief Operating Officer

President
PCS Sales

Senior Vice President
Fertilizer Sales, PCS Sales

Vice President
Procurement

Vice President
Safety, Health and Environment

Senior Vice President
Administration

President
PCS Potash



Keyword Online: Mgmt Bios

Shareholder Information

The Annual Shareholders Meeting will be held at 10:30 a.m. Central Standard Time May 7, 2009 in the Grand Salon, TCU Place, 35 - 22nd Street East, Saskatoon, Saskatchewan.

It will be carried live on the company's website, www.potashcorp.com.

Holders of common shares as of March 12, 2009 are entitled to vote at the meeting and are encouraged to participate.

Dividend amounts paid to shareholders resident in Canada are adjusted by the exchange rate applicable on the dividend record date. Dividends are normally paid in February, May, August and November, with record dates normally set approximately three weeks earlier. Future cash dividends will be paid out of, and are conditioned upon, the company's available earnings. Shareholders who wish to have their dividends deposited directly to their bank accounts should contact the transfer agent and registrar, CIBC Mellon Trust Company.

Registered shareholders can have dividends reinvested in newly issued common shares of PotashCorp at prevailing market rates.

Dividends paid to residents in countries with which Canada has bilateral tax treaties are generally subject to the 15 percent Canadian non-resident withholding tax. Shareholders in the United States who have not filed a W-9 are also subject to the backup withholding tax (currently 28 percent). There is no Canadian tax on gains from the sale of shares (assuming ownership of less than 25 percent) or debt instruments of the company owned by non-residents not carrying on business in Canada. No government in Canada levies estate taxes or succession duties.

Denita Stann, Senior Director, Investor Relations
Canada: (800) 667-0403 US: (800) 667-3930
email: ir@potashcorp.com
Visit us at www.potashcorp.com

Transfer Agent

CIBC Mellon Trust Company	BNY Mellon Shareholder Services
P.O. Box 7010	480 Washington Blvd - 27th floor
Adelaide Street Postal Station	Jersey City, NJ 07310
Toronto, ON M5C 2W9	
Phone: (416) 643-5500	
(800) 387-0825	
inquiries@cibcmellon.com	
www.cibcmellon.com	

Shareholders with address changes or inquiries concerning their Potash Corporation of Saskatchewan Inc. stock are invited to contact CIBC Mellon Trust (address above), or Joseph A. Podwika, Corporate Secretary, PotashCorp (Canadian address below).

On February 20, 2009, there were 1,792 holders of record of the company's common shares.

Toronto Stock Exchange
New York Stock Exchange
Ticker Symbol: POT

Annual Reports and News Releases

Annual reports, interim reports and news releases are available on our website or by contacting the Investor Relations department.

Disclosure contemplated by 303A.11 of the NYSE's listed company manual is available on our website at www.potashcorp.com. The company has filed annual written affirmations/certifications pursuant to the NYSE listing company manual. The certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 are filed as exhibits to our 2008 Annual Report on Form 10-K.

U.S. Office

Suite 500, 122 - 1st Ave S
Saskatoon SK S7K 7G3
Phone: (306) 933-8500

U.S.

Suite 400, 1101 Skokie Blvd
Northbrook IL 60062
Phone: (847) 849-4200

Common Share Prices and Volumes

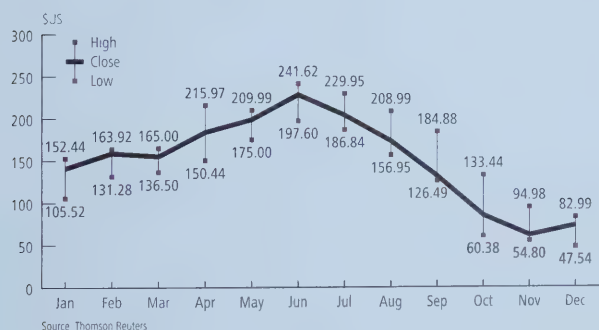
This table sets forth the high and low prices, as well as the volumes, for the company's common shares as traded on the Toronto Stock Exchange and the New York Stock Exchange (composite transactions) on a quarterly basis. Potash Corporation of Saskatchewan Inc. is on the S&P/TSX 60 and the S&P/TSX Composite indices.

	Toronto Stock Exchange ¹			New York Stock Exchange		
	High*	Low*	Volume	High*	Low*	Volume
2008						
Q1	167.80	109.00	103,153,851	165.00	105.52	481,399,952
Q2	246.29	155.03	118,100,762	241.62	150.44	725,191,906
Q3	231.28	131.43	111,838,148	229.95	126.49	783,581,966
Q4	142.00	61.81	165,047,982	133.44	47.54	1,153,295,676
Year 2008	246.29	61.81	498,140,743	241.62	47.54	3,143,469,500
2007						
Q1	65.31	51.92	51,599,528	56.35	44.05	221,025,369
Q2	86.21	61.02	51,480,129	80.85	52.82	220,781,704
Q3	108.92	76.96	65,980,291	109.40	71.50	189,289,076
Q4	148.89	94.30	67,978,612	151.90	97.36	239,545,310
Year 2007	148.89	51.92	237,038,560	151.90	44.05	870,641,459
2006						
Q1	37.96	30.50	63,024,657	33.08	26.05	165,652,500
Q2	39.00	28.93	56,060,451	35.47	26.28	162,390,900
Q3	39.49	30.67	42,424,140	35.49	27.34	123,589,800
Q4	56.96	37.75	58,463,577	49.06	33.83	185,087,100
Year 2006	56.96	28.93	219,972,825	49.06	26.05	636,720,300

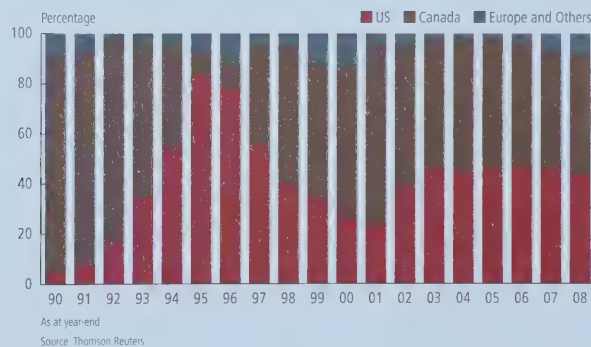
Source: Thomson Reuters

¹ Trading prices are in CDN \$

2008 MONTHLY POT STOCK PRICE – NYSE COMPOSITE



POT SHARE OWNERSHIP – GEOGRAPHIC DISTRIBUTION



YEARLY POT STOCK PRICE SINCE INCEPTION* – NYSE COMPOSITE



* Data are adjusted for a two-for-one stock split in August 2004 and a three-for-one stock split in May 2007

Forward-Looking Statements

This 2008 Summary Annual Report contains forward-looking statements. These statements can be identified by expressions of belief, expectation or intention, as well as those statements that are not historical fact. These statements are based on certain factors and assumptions as set forth in this Summary Annual Report, including foreign exchange rates, expected growth, results of operations, performance, business prospects and opportunities, and effective income tax rates. While the company considers these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect. Several factors could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to: fluctuations in supply and demand in fertilizer, sulfur, transportation and petrochemical markets; changes in competitive pressures, including pricing pressures; the current global financial crisis and conditions and changes in credit markets; the results of negotiations with China and India; timing and amount of capital expenditures; risks associated with natural gas and other hedging activities; changes in capital markets and corresponding effects on the company's investments; changes in currency and exchange rates; unexpected geological or environmental conditions, including water inflow; strikes or other forms of work stoppage or slowdowns; changes in, and the effects of, government policy and regulations; and earnings, exchange rates and the decisions of taxing authorities, all of which could affect our effective tax rates. Additional risks and uncertainties can be found in our Form 10-K for the fiscal year ended December 31, 2008 under the captions "Forward-Looking Statements" and "Item 1A – Risk Factors" and in our filings with the US Securities and Exchange Commission and the Canadian provincial securities commissions. Forward-looking statements are given only as at the date of this report and the company disclaims any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Market and Industry Data Statement

Some of the market and industry data contained in this Summary Annual Report are based on internal surveys, market research, independent industry publications or other publicly available information. Although we believe that the independent sources used by us are reliable, we have not independently verified and cannot guarantee the accuracy or completeness of this information. Similarly, we believe our internal research is reliable, but such research has not been verified by any independent sources.

Information in the preparation of this Summary Annual Report is based on statistical data and other material available at February 20, 2009.

Sources, Abbreviations, Terms and Measures

Abbreviated Company Names and Sources*

APC	Arab Potash Company Ltd. (Amman: ARPT), Jordan
British Sulphur	British Sulphur Consultants, UK
Canpotex	Canpotex Limited, Canada
Doane	Doane Advisory Services, USA
FAPRI	Food and Agricultural Policy Research Institute, USA
Fertecon	Fertecon Limited and Fertecon Research Centre Limited, UK
ICL	Israel Chemicals Ltd. (Tel Aviv: ICL), Israel
NYSE	New York Stock Exchange, USA
Sinofert	Sinofert Holdings Limited (HKSE, 0297.HK), China
SQM	Sociedad Química y Minera de Chile S.A. (Santiago Bolsa de Comercio Exchange, NYSE: SQM), Chile
Thomson Reuters	Thomson Reuters, USA
TSX	Toronto Stock Exchange, Canada
USDA	US Department of Agriculture, USA

* Where PotashCorp is listed as a source in conjunction with external sources, we have supplemented the external data with internal analysis.

Fertilizer Measures

K ₂ O tonne	Measures the potassium content of fertilizers having different chemical analyses
P ₂ O ₅ tonne	Measures the phosphorus content of fertilizers having different chemical analyses
N tonne	Measures the nitrogen content of fertilizers having different chemical analyses
Product tonne	Standard measure of the weights of all types of potash, phosphate and nitrogen products

Glossary of Terms

2008E	2008 Estimated
2009F	2009 Forecast
Canpotex	An export company owned by all Saskatchewan producers of potash (PotashCorp, Mosaic and Agrium)
CDN	Canadian dollars
Constructed Capacity	Equipment in a state of readiness to produce. While constructed capacity is increased at mechanical completion of a project, a period of ramp-up may be required to achieve full operating levels
Greenfield	New operation built on undeveloped site
MMT	Million tonnes
MT	Tonne
North America	The North American market includes Canada and the United States
Offshore	Offshore markets include all markets except Canada and the United States
PotashCorp	Potash Corporation of Saskatchewan Inc. (PCS) and its direct or indirect subsidiaries, individually or in any combination, as applicable
Shipments	Imports plus domestic producer sales

Scientific Terms

Nitrogen	NH ₃	ammonia (anhydrous), 82.2% N
	HNO ₃	nitric acid, 22% N (liquid)
	UAN	nitrogen solutions, 28-32% N (liquid)
	P ₂ O ₅	phosphoric acid (liquid)
Phosphate	MGA	merchant grade acid, 54% P ₂ O ₅ (liquid)
	DAP	diammonium phosphate, 46% P ₂ O ₅ (solid)
	MAP	monoammonium phosphate, 52% P ₂ O ₅ (solid)
	SPA	superphosphoric acid, 70% P ₂ O ₅ (liquid)
	MCP	monocalcium phosphate, 48.1% P ₂ O ₅ (solid)
	DCP	dicalcium phosphate, 42.4% P ₂ O ₅ (solid)
	DFP	defluorinated phosphate, 41.2% P ₂ O ₅ (solid)
Potash	KCl	potassium chloride, 60-63.2% K ₂ O (solid)



More on the horizon

The long-term drivers of the fertilizer business – and for potash in particular – are undeniable. Even in these challenging economic times, the basic need for food remains.

While financial conditions may be difficult to predict, our response to them will not be. Our long-held strategies, especially in potash, have repeatedly proven effective at achieving sustainable growth.

We anticipate tremendous opportunities ahead for our company and our stakeholders as we prepare to help farmers meet their great challenge: to produce *more per acre*.



More online...

PotashCorp2008AR.com

Visit our online annual report for complete financial statements, management's discussion and analysis, PDF downloads and more.



Mixed Sources

Product group from well-managed
forests, controlled sources and
recycled wood or fiber

Cert no. SW-COC-081715

www.fsc.org

© 1996 Forest Stewardship Council



PotashCorp

Helping Nature Provide

More per acre...
the sustainable solution





More sustainability

A report from the field



Our vision

To play a key role in the global food solution while building long-term value for all our stakeholders.

Organizational profile

PotashCorp* is the world's largest fertilizer enterprise by capacity, producing potash, phosphate and nitrogen products – the three primary crop nutrients. We are the world's largest potash producer, with nearly one-quarter of global capacity and ownership interest in four major offshore players in the potash industry. Our products are used by fertilizer, feed and industrial customers on six continents.



POTASH

1 Cory SK 2 Patience Lake SK 3 Allan SK 4 Lanigan SK
5 Rocanville SK 6 Sussex NB

PHOSPHATE

1 Aurora NC 2 Cincinnati OH 3 Geismar LA 4 Joplin MO
5 Marseilles IL 6 Weeping Water NE 7 White Springs FL

NITROGEN

1 Augusta GA 2 Geismar LA 3 Lima OH 4 Trinidad

INVESTMENTS

1 Sociedad Química y Minera de Chile S.A. (SQM), Chile (32 percent)
2 Israel Chemicals Ltd. (ICL), Israel (11 percent)
3 Arab Potash Company Ltd. (APC), Jordan (28 percent)
4 Sinofer Holdings Limited (Sinofer), China (22 percent)

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*Company-wide information relates to PotashCorp and all subsidiaries. It does not include performance of the companies in which we have a minority investment, listed above. Except where noted, all currency figures are stated in US dollars.

Letter from the CEO

More per acre . . .

With so many people focused on current economic conditions, it is easy to lose sight of the bigger and potentially greater issue of global food production. As the world's population expands and the demand for grain and other crops continues to grow, the need to produce more per acre will be increasingly difficult to ignore.

At PotashCorp, we have always operated with a long-term view and our business strategies – and sustainability program – are designed to prepare for the inevitable and ongoing need to increase food production. Such ambition not only makes our enterprise extremely valuable to our stakeholders, it keeps our employees engaged in a truly noble and necessary cause.

Our vision and our strategies do not change with swings in global economic conditions. Food is not a discretionary item. People need to eat. With more mouths to feed – especially in countries like China and India, where the population and economies continue to grow – it is imperative the world's farmers maximize yields.

Our goal is to be part of this global food solution. That desire is what makes the sustainability of our company essential.

More . . . when it is needed

While 2008 had many industries talking about a slowdown, our strong financial performance, including a fifth consecutive year of record earnings, enabled us to continue with significant potash capacity expansions. Projects underway in Saskatchewan and New Brunswick will raise our constructed potash capacity to 18 million tonnes by the end of 2012. In total, our continuing investment in capacity expansions will reach CDN \$7 billion from 2005 through 2012.

The return on this investment touches all our stakeholders. Independent research suggests our projects will generate approximately \$3.2 billion in new gross domestic product in Saskatchewan during the construction phase, new annual GDP of \$3.8 billion when operational, more than 14,500 direct and indirect jobs, and bountiful new opportunities for suppliers and community organizations. The new production will be essential to meet the needs of potash customers around the world and the benefits will be shared by the investors who provide us with the capital to operate.



WILLIAM J. DOYLE, PRESIDENT AND CEO

Our view of the future is not shaped by trepidation over short-term economics, but by the incredible opportunity we have and the importance of what we do.

By maintaining our long-term view, we expect to deliver more of what our stakeholders need. That vision is what our sustainability program is all about.

A handwritten signature in dark ink, appearing to read 'William J. Doyle', written over a light blue background.

William J. Doyle
President and Chief Executive Officer

June 8, 2009

Letter from the Sustainability Committee

It takes strong roots to grow a healthy plant and, with each passing year, our sustainability program becomes more deeply entrenched, with a greater ability to build long-term value for stakeholders.

This progress was evident in 2008 as we:

- established a *model farm* in Trinidad, sharing our knowledge to improve agricultural practices and contribute to economic development in the community;
- extended bonuses to all hourly employees for the first time, recognizing their value and commitment to making our company more successful; and
- completed a 1.5-million-tonne capacity expansion at our Lanigan potash operation, increasing our ability to meet the long-term needs of customers.

Our commitment to sustainability gained international recognition, as PotashCorp became the first North American fertilizer producer to be added to the Dow Jones Sustainability Index for North America.

The year, however, was not without challenges and concerns. Our recordable injury rate increased by 9 percent and our lost-time injury rate was up 84 percent. Our aim in 2009 is not only to regain the ground lost but to improve upon our strong performance of 2007.

Guided by our Core Values, we continue to seek improvement in every aspect of our business, especially regarding safety of our people and protection of the environment. By linking our sustainability program to operational goals and targets, we can improve performance in areas that matter to our stakeholders.

This linkage has taken hold in our company, providing the strong roots that help PotashCorp grow in a healthy, responsible manner for the benefit of all our stakeholders.



- 1 Wayne R. Brownlee**
Executive Vice President
and Chief Financial Officer
- 2 James F. Dietz**
Executive Vice President
and Chief Operating Officer
- 3 G. David Delaney**
President, PCS Sales
- 4 Barbara Jane Irwin**
Senior Vice President,
Administration
- 5 Joseph A. Podwika**
Senior Vice President,
General Counsel and Secretary
- 6 John R. Hunt**
Vice President, Safety,
Health and Environment
- 7 Thomas C. Pasztor, Chair**
Senior Director, Corporate
and Government Relations
- 8 Denita C. Stann**
Senior Director, Investor Relations



More local spending

Expansions mean more opportunities for more people

While many people view PotashCorp's capacity expansions as numbers in a spreadsheet, Clark Bailey sees the impact on a much more personal level every day.

As Senior Vice President, Projects and Technical Services, Bailey has ongoing contact with the companies and people who are essential to – and benefiting from – the projects in Saskatchewan.

"We have more than 700 extra people at our Cory site today," he says, reviewing the list of those who passed through the facility gates. "That doesn't include our regular employees or contract employees. That is how many additional people were at the site working on things connected to our expansion. And that's just one day, one site."

Read more of this story online at www.potashcorp.com/SR08/stories





The economic impact of our potash expansion projects can be seen in all the new faces at our facilities. Clark Bailey, Senior Vice President, Projects and Technical Services (left), relies on the services of Calvin Jaman (middle) and Alton Barry (right), contract coordinators with global engineering and project management company AMEC.

Economic Impact

Growing earnings, growing impact

PotashCorp's ability to create a long-term positive impact for our stakeholders is directly tied to our financial performance. In 2008, we reported our fifth consecutive year of record earnings and continued to generate strong cash flow to support our business and reinvest in our future.

This performance is having a significant impact on the communities where we operate, as the economic value distributed by our operations has grown from \$2.7 billion in 2004 to \$7.0 billion in 2008. This total includes spending on goods and services, employee wages and benefits, dividends and interest, taxes and royalties and community donations. We make it a priority to spend in the communities where we operate.

Expanding operations, expanding GDP

Our current economic impact reflects the early stages of our long-term potash capacity expansions in Saskatchewan and New Brunswick. With an estimated capital cost of CDN \$7.0 billion, they will have direct and indirect benefits for years to come. The construction phase will create a significant increase in spending on services and supplies, while the operation of the expanded facilities will bring lasting increases in employment, gross domestic product and royalties and taxes paid.



Capital invested.....	CDN \$2.9B
Construction jobs created.....	3,045
Operating jobs created.....	269
\$ CDN invested per person.....	\$628,351
Economic impact to community*....	CDN \$1.2B



Capital invested.....	CDN \$0.4B
Construction jobs created.....	900
Operating jobs created.....	104
\$ CDN invested per person.....	\$44,941
Economic impact to community*....	CDN \$0.1B



Capital invested.....	CDN \$2.0B
Construction jobs created.....	1,905
Operating jobs created.....	382
\$ CDN invested per person.....	\$1,960
Economic impact to community*....	CDN \$1.9B

GOAL Build strong relationships with and improve the socio-economic well-being of our communities.

'08
TARGET

- Achieve a local purchasing level of 60 percent, excluding purchases of energy, transportation and raw materials.

'08
RESULT

- **Partially achieved.** Reached a level of 59 percent, excluding purchases of energy, transportation and raw materials.

'09
TARGET

- Achieve a local spending level of 60 percent on competitive terms, excluding purchases for major expansions, energy, transportation and raw materials.

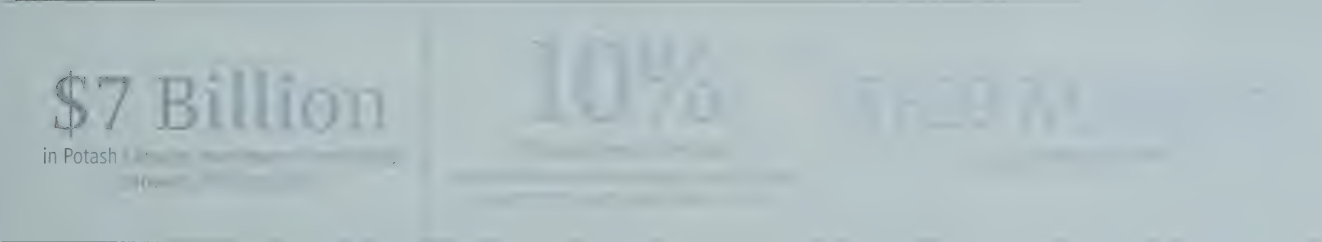
LOCAL PURCHASING

% of Total Purchases Made Locally, Excluding Major Capital Expansions, Raw Materials, Energy and Transportation

2008	2007	2006	2005	2004
59%	58%	62%	61%	60%

We spent \$629 million in local communities in 2008, falling just short of our annual target to purchase 60 percent of needed materials and services in the areas where we operate

Source: PotashCorp



Capital invested.....	CDN \$5.3B
Construction jobs created.....	5,850
Operating jobs created.....	755
\$ CDN invested per person.....	\$5,196
Economic impact to community*...	CDN \$3.2B



Capital invested.....	CDN \$1.7B
Construction jobs created.....	2,500
Operating jobs created.....	140
\$ CDN invested per person.....	\$2,274



Capital invested.....	CDN \$7.0B
Construction jobs created.....	8,350
Operating jobs created.....	895
\$ CDN invested per person.....	\$210

* Cumulative new Gross Domestic Product (GDP) added during construction in 2007-2012

A photograph of two men standing on an industrial platform with yellow railings. The man on the left is wearing a white hard hat with 'PotashCorp DONAVAN MTS' on it, glasses, a dark jacket, and white gloves. He is holding a small object in his hands. The man on the right is wearing a yellow hard hat, safety glasses, a dark jacket, and white gloves. He is leaning on the railing. In the background, there is a large industrial structure and a body of water under a blue sky.

More
vigilance



Always focused on safety

When it comes to safety, PotashCorp has one goal in mind: nobody is harmed. Not employees, not contract employees, not guests nor the people in our communities. It's a goal that requires employees to watch out for each other's safety . . . and talk to each other about it.

Donavan Hebig leads by example. "It's pretty easy to convince employees to wear safety glasses when you say, 'I want you to be able to see your family when you get home.'" Hebig is one of PotashCorp's BAPP® Internal Consultants, certified in the Behavioral Accident Prevention Process (BAPP) and based at the Patience Lake potash mine in Saskatchewan.

The idea behind BAPP is that employees observe one another and encourage safe behavior. Safety experts such as Hebig see themselves as the coaches in this collaborative, constructive effort. The BAPP process uses a no-blame, talk-it-over strategy to keep the focus on making the workplace safer. It's not about reprimanding employees. Instead, it encourages employees to talk to each other, positively and as events are happening, about working more safely.

Far to the south in White Springs, FL, Clay Warner shares Hebig's commitment to watching out for his co-workers.

"Most of the people in a mining situation do their job with safety in mind, but safety requires constant attention," Warner says. "We are all our brother's keepers."

Warner and Hebig are two of the eight BAPP Internal Consultants. PotashCorp counts on them to bring the BAPP process to life at our production sites.

Read MORE of this story online at www.potashcorp.com/SR08/stories

Safety is our No. 1 priority – and Donovan Hebig, Safety Supervisor (left), is working to ensure his fellow employees at Patience Lake, like Troy Alberts, Apprentice Electrician (right), recognize the importance of making it the top priority in their daily actions.

Safety Performance



PotashCorp doubled the number of internal consultants to lead improvement in safety performance. At White Springs, Clay Warner, Safety/Industrial Hygiene Specialist (right), is helping co-worker James Hinton, Shipping Chief Operator (left), in reducing workplace exposure to injury.

Safety – our No. 1 priority

Our long-term success is directly tied to the people who operate our facilities every day – which makes safety our top priority.

The importance of maintaining vigilance in our pursuit of safety was reinforced in 2008, when our injury frequency rates – primary measures of safety success – rose. To improve our performance, we are undertaking several initiatives that emphasize safety as the No. 1 priority for everyone associated with our company – our employees, contract employees and all others on site.

Improving safety performance requires a strong personal safety ethic from every person who works for PotashCorp. We are encouraging leaders in our company to remind people of their personal commitment to safety. Personalization of safety will be a recurring theme in every major operations meeting in the coming year.

We have placed special emphasis on our underground potash operations, where we have experienced higher injury rates. We have assigned full-time safety professionals to conduct hazard assessments, review communications procedures and evaluate operations practices. We have also hired an outside consultant to assess fall protection standards and practices to prevent our employees and contract employees from falling from elevated locations at our sites.

At our phosphate and nitrogen sites, process safety management coordinators are developing guidance documents for the handling of hazardous chemicals.

GOAL | Achieve no harm to people.

'08
TARGETS

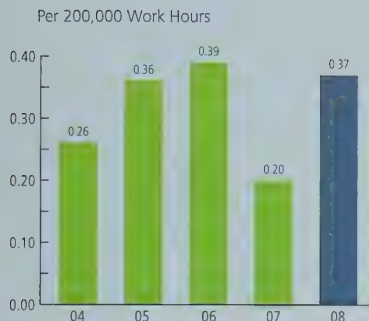
- Reduce recordable injury frequency rates by 15 percent from 2007 level.
- Reduce lost-time injury frequency rates by 20 percent from 2007 level.

'08
RESULTS

- **Not Achieved.** Recordable injury frequency rate increased by 9 percent.
- **Not Achieved.** Lost-time injury frequency rate was up 84 percent.

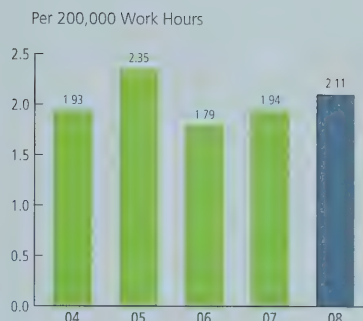
'09
TARGETS

- Reduce total site severity injury frequency rate by 25 percent by the end of 2011 from 2008 levels.
- Achieve zero life-altering injuries at our sites.



LOST-TIME INJURY FREQUENCY RATE

After a significant reduction in 2007, the lost-time injury frequency rate increased by 84 percent in 2008. In response, we have committed additional resources to safety and training, including a push for an improved personal safety ethic and potash underground hazard assessments.



RECORDABLE INJURY FREQUENCY RATE

Recordable injuries increased in 2008 at our potash and phosphate operations. To emphasize the importance of reducing injuries, personalization of safety will be stressed at every major operations meeting in the coming years. Recordable injuries are the sum of lost-time injuries, modified work injuries and medical incidents.



SEVERITY INJURY FREQUENCY RATE

Severe injuries increased slightly over the previous year. Reducing this rate is a priority; our target is a 25 percent reduction by 2011. Severe injuries are the sum of lost-time injuries and modified work injuries.

Source: PotashCorp

Lost-Time Injury - One serious enough to prevent the injured person from returning to work on his/her next scheduled workday.

Modified Work Injury - One that requires medical restrictions preventing an employee from performing any or part of his/her normal duties.

Medical Incident - An injury that requires medical treatment beyond first aid.

Safety performance – BAPP

Employees, like Donovan Hebig and Clay Warner featured on page 9, help change unsafe behaviors through the Behavioral Accident Prevention Process (BAPP®). By changing behaviors through observations, we seek to prevent accidents rather than reactively studying accidents after they occur.

BAPP facilitators chart all the observations at a plant site each month and report on trends. Observation trends can indicate areas where improvement is needed, and this is reported back to everyone on site to focus their attention. The reporting and feedback system makes BAPP assessment collaborative and non-threatening, which encourages active participation and teamwork.

The role of management is to eliminate barriers to change and build an environment that encourages discussion which creates meaningful, practical ways for people to do their jobs with less risk of injury.

This approach is aligned with our quest for continuous improvement in all areas of our operations. Our goal is to achieve no harm to people – and the BAPP system is essential to moving us closer to that goal.



More opportunities

Promoting innovative thinking

In 2002, Janelle Appleyard joined PotashCorp's Saskatoon headquarters as a staff engineer and hit the ground innovating, helping develop an underground radar system that spurred an industry-wide shift in mine safety procedures. Just six years later, she was named PotashCorp's first female Chief Mine Engineer. Our goal is to attract and retain talented, motivated and productive employees who are committed to our long-term goals. Appleyard is a textbook example.

She says she welcomes the opportunity to keep digging deeper into mine engineering. "I like bringing new ideas to the table." Her supervisor, Mine General Superintendent Vance Thom, agrees. "A good mine engineer needs to be very inquisitive and very good with people. Janelle fits that bill."

One of the few women in mining engineering, Appleyard is comfortable in a male-dominated workplace: "I've always been judged by the quality of my work, and appreciate the chances I've had to advance my career. I believe that by encouraging internal promotions, PotashCorp makes its employees more motivated and productive."

Read MORE of this story online at www.potashcorp.com/SR08/stories

Fostering a culture that rewards innovative thinking helps us attract and retain the best and the brightest employees. Janelle Appleyard, Chief Mine Engineer (left), consulting with Alvin Popovich, Safety Trainer (right), brings that perspective to our Rocanville mine.

Employee Development

Working together to build success

To play our part in the global food solution, we need to attract and retain motivated and productive employees who are committed to our long-term goals. Success in this area is increasingly important as our company, and our workforce, grows.

At the end of 2008, we employed about 5,300 people in the United States, Canada and Trinidad, up almost 300 from the previous year. Of that group, 35 percent are salaried employees and 65 percent are hourly-paid. We also have close to 800 contract employees who support our operations.

To help retain good employees, in 2008 we made all hourly employees eligible for our short-term incentive program, allowing them to share in the company's success. The evolution of our business is also creating career development opportunities for many employees; we filled 73 percent of senior staff openings with internal candidates.

Our average employee turnover rate declined slightly from the previous year, although competition from a new nitrogen facility in Trinidad increased turnover there.

Our relationship with unionized employees, primarily at potash operations in Saskatchewan, required attention, as we experienced our first labor disruption since 2001. A 99-day strike by the United Steelworkers Union at Cory, Allan and Patience Lake ended in new three-year agreements.

We move forward with a committed workforce that supports the continuing growth of our company.

GOAL Attract and retain talented, motivated and productive employees who are committed to our long-term goals.

'08
TARGETS

- Achieve an average employee engagement score that is in the top quartile as determined by the annual employee engagement survey.
- Fill at least 75 percent of senior staff openings with internal candidates.

'08
RESULTS

- **Achieved.** Employees surveyed had an average engagement score with the company of 79 percent.
- **Partially Achieved.** 73 percent of senior staff openings were filled with internal candidates.

'09
TARGETS

- Achieve an employee engagement score of at least 75 percent on the annual survey.
- Fill at least 75 percent of senior staff openings with internal candidates.
- Fill all staff-level job openings within an average of 30 days.

TOP FIVE TRAINING CATEGORIES IN 2008

% of Total Training Hours

Job Skills Improvement	Safety	Orientation	Crisis and Emergency Response	Apprenticeship
39%	19%	9%	8%	7%

In 2008, each PotashCorp employee received an average of 90 hours of training – a 57 percent increase over the previous year – with skills development and safety the key priorities

Source: PotashCorp

COMPARISON OF ENTRY-LEVEL WAGES TO LOCAL MINIMUM WAGE

(\$ US/HR)

	PotashCorp's Entry-Level Wage	Local Minimum Wage	% Entry/Local
US	13.74-19.78	6.55-7.75	210-255%
CANADA	18.75-24.95	7.40-8.21	254-304%
TRINIDAD	4.53	1.60	283%

Entry-level positions at PotashCorp pay significantly more than minimum wage, reflecting our commitment to attracting and retaining well-trained and highly skilled employees

Source: PotashCorp

WAGES AND BENEFITS



The addition of almost 300 people to our workforce, merit pay increases and the expansion of our employee bonus program to hourly workers resulted in a 10 percent increase in total wages and benefits.

Source: PotashCorp

Growing relationships with the farmers of Trinidad and Tobago

When PotashCorp employee Karl Burgess looks out at rows of papaya and eggplant thriving on land where sugar cane used to grow, he sees an opportunity to help feed an entire nation. Burgess manages the PCS Model Farm and Agricultural Resource Centre in Trinidad, part of our ongoing effort to build relationships with and improve the socio-economic well-being of our communities.

Trinidad and Tobago imports nearly 85 percent of its food. PotashCorp hopes to help change that. Burgess says, "I want farmers to tour the model farm and leave saying, 'I could do that,' then go home and start improving their own farms."

With thousands of idle acres of land available for cultivation, the government is encouraging farmers to grow new crops and increase yields. PotashCorp stepped in to help by building facilities that help farmers and students learn the best practices of modern agriculture.

"The people of Trinidad and Tobago are looking to us for leadership in agriculture," says Ian E. Welch, Managing Director of PCS Nitrogen Trinidad. "This is a natural fit for a company that wants to contribute to the long-term health of our community."

Read MORE of this story online at www.potashcorp.com/SR08/stories

A photograph of a papaya tree in a field. The tree has large, green, deeply lobed leaves and several yellow, ripening fruits hanging from its branches. The ground is sandy and covered with some dry leaves. The sky is a clear, bright blue with a few wispy clouds. The text "More sharing" is overlaid on a dark blue rectangular background in the lower-left corner of the image.

More
sharing

Collaboration with the community strengthens the ties between PotashCorp and its neighbors. Karl Burgess, Project Manager – Agriculture (left), is part of a team that is helping Trinidadian farmers like Stanley Ragoonanan (right) learn the latest agricultural practices on the PCS Model Farm.



Community Involvement



In Trinidad and Tobago, PotashCorp is combining its commitment to young people with its expertise in agriculture. Students from the nearby California Government Primary School visit the PCS Model Farm to learn about farming

Working together to build success

By engaging with and contributing to the well-being of our communities, we cultivate ongoing support and contribute to the economic and social stability where we operate.

We aim to build long-term, mutually beneficial relationships with our communities through volunteer efforts, strategic donations and ongoing dialogue, including community surveys. In 2006, for example, we surveyed community leaders in Trinidad and learned that they wanted us to take a larger leadership role in community agriculture initiatives. Based on this feedback, we created the PCS Model Farm (see page 16).

In 2008, we surveyed community leaders at Lima, OH, Marseilles, IL and Weeping Water, NE to measure perceptions of our community involvement, business practices and impact on local economies. We asked leaders to rate our performance on a scale of 1 to 5 with 1 being not performing well and 5 being performing very well.

In Lima, we scored 3.7 out of 5. After assuming operating responsibility from INEOS in 2008, we needed to understand where we could improve the relationship between the site and the people of Lima. We learned that the community wants to hear more from us, and so we're creating a communication action plan for that site. We've also become more involved with Lima organizations since the survey, including the United Way Campaign for Success, Big Brothers/Big Sisters of Allen County, 4H and the Ottawa River Coalition.

In Marseilles, we scored 4.1 out of 5. Our survey showed we could improve the way the company communicates with the community. We've begun a more focused communications program that includes more brochures, ads and event sponsorships. We also held an open house for the county's first Leadership in Energy and Environmental Design (LEED) certified building, which we completed in 2008.

In Weeping Water, we scored 4.2 out of 5. To strengthen communications with the community, the site will highlight its volunteer activities and continue to sponsor local sporting and cultural events.

All three communities praised us as a positive force for economic development and expressed hopes that we would expand operations.

GOAL Build strong relationships with and improve the socio-economic well-being of our communities.

'08 TARGETS

- Achieve 4 out of 5 on each community leaders' survey.
- Achieve a 10 percent increase in individual participation in the matching gift program and a 20 percent increase in total donations from 2007 levels.
- Meet our annual philanthropic donations target of 1 percent of after-tax earnings on a five-year rolling average.

'08 RESULTS

- **Partially achieved.** 4 out of 5 achieved in two of the three community leaders' surveys.
- **Partially achieved.** Achieved a 2 percent increase in individual participation in the matching gift program and a 66 percent increase in total matching donations.
- **Achieved.** Our annual philanthropic donations exceeded 1 percent of the rolling five-year average of after-tax earnings.

'09 TARGETS

- Achieve 4 (performing well) out of 5 on community leaders' surveys.
- Achieve a 10 percent increase in employee participation in the matching gift program and a 10 percent increase in matching gift donations from 2008 levels.
- Invest up to 1 percent of after-tax earnings (on a five-year rolling average) in communities and other philanthropic programs.

DONATIONS AS A PERCENTAGE OF EARNINGS

% of 5-Year Average After-Tax Earnings

2008	2007	2006	2005	2004
1.2%	1.1%	1.3%	2.5%	2.8%

In 2008, we exceeded our donations target (1 percent of our five-year average after-tax earnings) by giving \$6.6 million. In 2007, we gave \$3.5 million, as shown in the chart below

Source: PotashCorp

Giving with a goal

Our targeted donations are made to create long-term socio-economic value in the communities where we operate, particularly in the areas of youth, health and education initiatives.

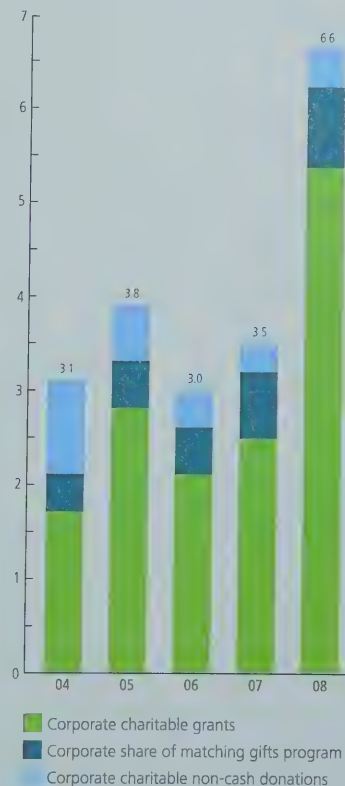
Total donations to PotashCorp's host communities and other causes reached \$6.6 million in 2008, up 87 percent from 2007.

2008 highlights

- Grants from the corporate office more than doubled, from \$2.5 million in 2007 to \$5.4 million in 2008. Major gifts included CDN \$1 million to the University of Saskatchewan (Griffiths Stadium), \$0.3 million to the Youth Services of Glenview/Northbrook in Glenview, IL and CDN \$0.3 million to the Southeast Integrated Care Centre in Moosomin, SK.
- The matching gift program allows our employees to direct our donations. Our contributions to the matching gift program totaled \$0.8 million – a 24 percent increase over 2007 – with United Way organizations in Canada, the US and Trinidad benefiting most. In 2008, we raised the maximum that we will match from \$5,000 to \$10,000 per employee per year.
- Our company and employees support communities through company-sponsored volunteerism and non-cash donations. In-kind donations, such as employees volunteering on company time, are designed to help us interact with the community directly. This total reached \$0.4 million in 2008, an increase of 19 percent.

CHARITABLE DONATIONS

(million \$)



Total charitable donations were significantly higher than in years previous. Over three years we will give a \$1.5 million donation to the Youth Services of Glenview/Northbrook and over two years we will donate \$0.5 million to the Southeast Integrated Care Centre.

Source: PotashCorp

More stewardship

A man with short brown hair, wearing a blue and white striped button-down shirt and khaki pants, stands with his arms crossed on a grassy bank next to a calm pond. The pond reflects the surrounding green trees and the clear blue sky. In the upper right corner, a tree branch with Spanish moss hangs down. The overall scene is peaceful and natural.

Our commitment to the environment spans the generations. Environmental Director Mike Brom (left) has benefited from the guidance of his predecessor, Bill Schenning (right), in taking the reins of PotashCorp's environmental program.

A man with short grey hair, wearing a blue and white striped button-down shirt and dark trousers, stands with his arms crossed on a dirt path. He is looking towards the camera. The background consists of large, mature trees with thick trunks and dense foliage, creating a serene, wooded environment. The lighting suggests it might be late afternoon or early morning, with soft light filtering through the trees.

A smooth transition in environmental stewardship

Mike Brom knew that PotashCorp had a history of environmental stewardship when he stepped into the shoes of retiring Environmental Director Bill Schimming. And with Schimming helping to smooth the transition, Brom says he's ready to lead and pursue the company's goal of achieving no damage to the environment.

"Reaching that goal requires a team pushing for continual improvement, consistency and vigilance," says Brom, who has a 25-year career in environmental engineering. With that team already in place, and with Schimming's counsel about the company's environmental activities and issues, he benefited from a smooth transition. "Just stepping into a company's environmental management effort can be costly in terms of the environment and the bottom line," he says. "But when someone who's leaving a job teaches and mentors the newcomer, you have a better chance for success."

Brom's job is to make sure that PotashCorp meets all environmental regulations, but he wants to go further whenever possible. "I always try to find ways to go beyond pure compliance," he says. "That can have a tremendous impact."

Read MORE of this story online at www.potashcorp.com/SR08/stories

Environmental Performance



A snowy egret wades in reclaimed wetlands at our White Springs, FL facility.

Achieving no damage, increasing efficiency

Achieving no damage to the environment means more than complying with the law – it means using resources more efficiently, reducing the environmental footprint of our operations and restoring the lands and habitats we impact as we do business. To these ends, we have increased the amount of money spent on environmental capital projects by more than 1,000 percent over the last four years.

In greenhouse gas emissions, for example, we continue to evaluate technologies that will help us achieve our company-wide goal – stated in 2007 – to reduce greenhouse gas (GHG) emission intensity 10 percent by 2012. Since more than 80 percent of our GHGs come from our nitrogen operations, we’ve targeted those facilities as key areas for improvement. We plan to install emission-control systems in Geismar, LA that will reduce GHG emissions by about 7 percent company-wide. We continue to evaluate remaining nitrogen facilities for similar opportunities.

There’s still room to improve. Energy use per tonne of product, a 2008 target, increased by 2 percent year over year primarily due to inefficiencies caused by reduced production company-wide. We continue to pursue ways to enhance energy efficiency throughout our operations – for details on some of our initiatives, see our 2008 Sustainability Performance Report, keyword Environment.

EXCURSIONS AND FINES

	2008	2007	2006	2005	2004
Reportable Quantity Releases and Permit Excursions	11	17	17	31	48
Provincial Incidents and Spills	8	10	9	11	4
Fines	\$0	\$2,200	\$11,860	\$1,100	\$4,970

Improved procedures and employee diligence reduced environmental events by 35 percent in 2008. For the first time since we began reporting this measure in 2002, no environmental fines were levied against the company.

Source: PotashCorp

GOAL Achieve no damage to the environment.

'08 TARGETS

- Reduce company-wide greenhouse gas emissions per tonne of product by 10 percent by the end of 2012, compared to 2007.
- Maintain energy usage per tonne of product produced at 2007 levels.
- Reduce reportable releases and permit excursions by 15 percent from 2007 levels.

'08 RESULTS

- **Achieved.** On schedule. We have committed to installing greenhouse gas emissions controls at our Geismar facility, which are expected to reduce company-wide emissions by about 7 percent. We are also evaluating other opportunities.
- **Not achieved.** Energy usage per tonne of product increased by 2 percent in 2008 due to temporary shutdowns at production facilities.
- **Achieved.** Total reportable releases and permit excursions were reduced 35 percent.

'09 TARGETS

- Reduce company-wide greenhouse gas emissions per tonne of product by 10 percent by end of 2012, compared to 2007.
- Reduce total reportable releases, permit excursions and spills by 15 percent from 2008 levels.

TOTAL GHGs/TONNE (AS CO₂ EQUIVALENT) NORMALIZED GHG EMISSIONS

	2008	2007	2006	2005	2004
Potash (tonnes GHG/tonne KCl)	0.05	0.05	0.05	0.05	0.05
Phosphate (tonnes GHG/tonne P ₂ O ₅)	0.61	0.59	0.54	0.62	0.67
Nitrogen (tonnes GHG/tonne N)	2.40	2.34	2.39	2.53	2.56
Company-Wide (normalized GHGs)	2.08	2.02	2.06	2.16	2.20
Company-Wide (absolute 000 tonnes GHGs)	7,996	8,400	7,435	8,029	7,998

Greenhouse gas emissions are normalized based on the nutrient produced by each segment: KCl, P₂O₅ and N. The normalized emission rate increased in our nitrogen segment because more nitric acid was produced relative to other nitrogen products and less CO₂ was sold. These were also the primary reasons for the rise in company-wide normalized emissions rates.

Source: PotashCorp

WATER USED IN OPERATIONS BY SOURCE

(millions cubic meters)	2008	2007	2006	2005	2004
Water Withdrawn	157.5	159.1	148.3	160.2	178.2
Recycled Water	858.7	954.7	972.2	1,012.5	1,003.6

Our operations withdraw water from rivers, aquifers and the Atlantic Ocean. Nearly two-thirds of that water is used in phosphate operations to transfer raw materials. About 85 percent of the water we use is recycled.

Source: PotashCorp

Product responsibility

Understanding how our products are handled helps shape our approach to product responsibility.

We assess, manage and communicate hazards associated with our products through our representatives and via Material Safety Data Sheets (MSDS) and Product Specification documents, all of which are available on our website. We regularly update this information to help users handle our products in a safe and environmentally responsible manner.

In fertilizer, product responsibility entails not only addressing proper handling issues but educating users about proper application, as excessive use, primarily of nitrogen, can result in runoff that can adversely affect water quality. To reduce runoff, we stress a 4R program: right source, right rate, right time, right place.

To promote the proper use of fertilizer, we also educate customers by working with trade associations such as The Fertilizer Institute (TFI), the Canadian Fertilizer Institute (CFI) and the International Plant Nutrition Institute (IPNI). TFI and CFI support more than 13,000 Certified Crop Advisors in North America, who help educate growers about best management practices in areas ranging from nutrient management to soil and water quality.

We also employ a staff agronomist, Kim Polizotto, Ph.D., who works closely with industry associations, academic researchers and growers, and always stresses proper application.

Traveling to new worlds of sales relationships

Listening to and learning from customers throughout the world is key to reaching PotashCorp's goal of being the preferred supplier in all our markets.

The job of Al Mulhall, Senior Director of Market Research, and Kelly Davey, Manager of Market Research, is to learn about and understand the market forces shaping the world of agriculture, and help PotashCorp's stakeholders understand them. That's why Mulhall and Davey accompany company salespeople visiting customers to learn their needs and challenges. Last December, they traveled to India to see the operations of Indian Farmers Fertiliser Cooperative Limited (IFFCO) first-hand.

"It gave us an opportunity to see how farming villages in different parts of the country use fertilizer," says Mulhall. "Many farmers are spreading fertilizer by hand. They are not yet replacing all the nutrients removed from the soil by their crops, but are eager to improve their farming practices." He adds, "World population is growing, and people need better food. Our visits allow us to see how these needs are being worked out at the local level."

Read MORE of this story online at www.potashcorp.com/SR08/stories

More information

Sharing information with customers builds strong, long-term relationships. Al Mulhall, Senior Director of Market Research (left), and Kelly Davey, Manager of Market Research (right), bring their insights about global market data to customers throughout the world.

Strong Global Grain® Demand Growth Expect.
Global Demand Doubled Over the Past 40 Years

20.0
18.0
16.0
14.0
12.0
10.0
8.0
6.0
4.0
2.0
0.0



Customer Relations

Our focus: reliable supply, great service, quality product

Amid the tight global supply conditions of recent years, our customers have continued to turn to us as a reliable source of high-quality product, support and information.

According to our annual surveys, PotashCorp products are consistently considered at or near the top of the industry in quality and reliability of supply – along with price, the most important considerations in choosing a supplier. In 2008, more than 60 percent of the fertilizer customers we surveyed considered us the most reliable supplier in the industry – more than all other companies combined.

We also strive to be an information resource and a customer service leader, providing extensive market analysis and expert advice through our customer service representatives, sales force and website. Our Industrial group ranked first in all areas surveyed for quality of sales representatives in 2008, and we are still the only company in the industries in which we operate to offer 24/7 customer care year-round.

Ensuring ongoing supply reliability is a key to remaining the preferred supplier in the industry – our stated goal. In addition to CDN \$7 billion in announced capital expansions that will roughly double our constructed potash capacity between 2005 and 2012, we continue to invest in transportation and distribution infrastructure and to cultivate relationships with key business partners. Canpotex Limited, our offshore potash marketer, plans to build a new port facility at Prince Rupert on Canada's West Coast and is expanding its existing terminal in Vancouver. Combined, the projects will enable Canpotex Limited to nearly double its current capabilities in the coming years.

GOAL | Be the preferred supplier to the markets we serve.

'08
TARGET

- Outperform competitors on quality and service as measured by customer surveys.

'08
RESULT

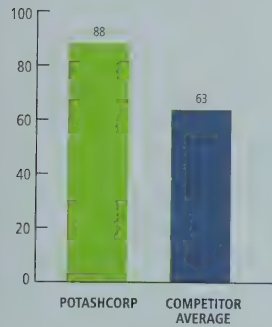
- **Achieved.** We outperformed competitors in both quality and overall customer service in all four product groups surveyed.

'09
TARGET

- Outperform competitors on quality and service as measured by customer surveys.

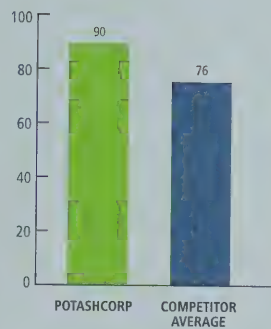
CUSTOMER SURVEY RESULTS

(%)



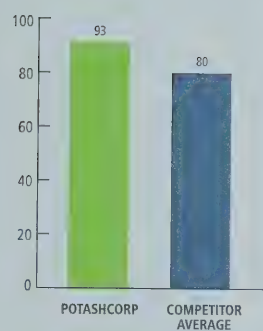
LONG-TERM SUPPLY

Rate your suppliers on reliability of long-term supply.



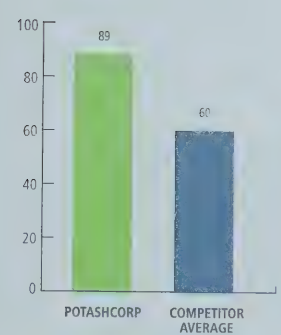
CUSTOMER SERVICE

Rate your suppliers on the customer service you receive with regard to order placement, order accuracy, response and follow-up, delivery and loading.



PRODUCT QUALITY

Rate your suppliers on the quality of their product.



MARKET INFORMATION

Rate your suppliers on providing market information.

In a survey of fertilizer, feed, industrial products and purified phosphate customers, PotashCorp outperformed competitors in four key satisfaction areas in 2008 surveys: reliability of supply, quality of customer service, quality of product and availability of market information. About 93 percent of customers surveyed considered reliability of supply one of the most important criteria for choosing a vendor.

Source: PotashCorp

SUSTAINABILITY IN THE 2008 POTASHCORP CUSTOMER SURVEY



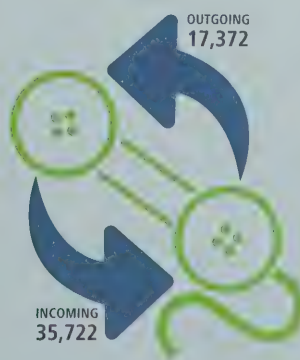
Awareness of Sustainability Reporting

■ Yes: 91% ■ No: 9%

By distributing the summary sustainability report to all customers, we share our values with these stakeholders and find that more than 90 percent of them are aware of our efforts.

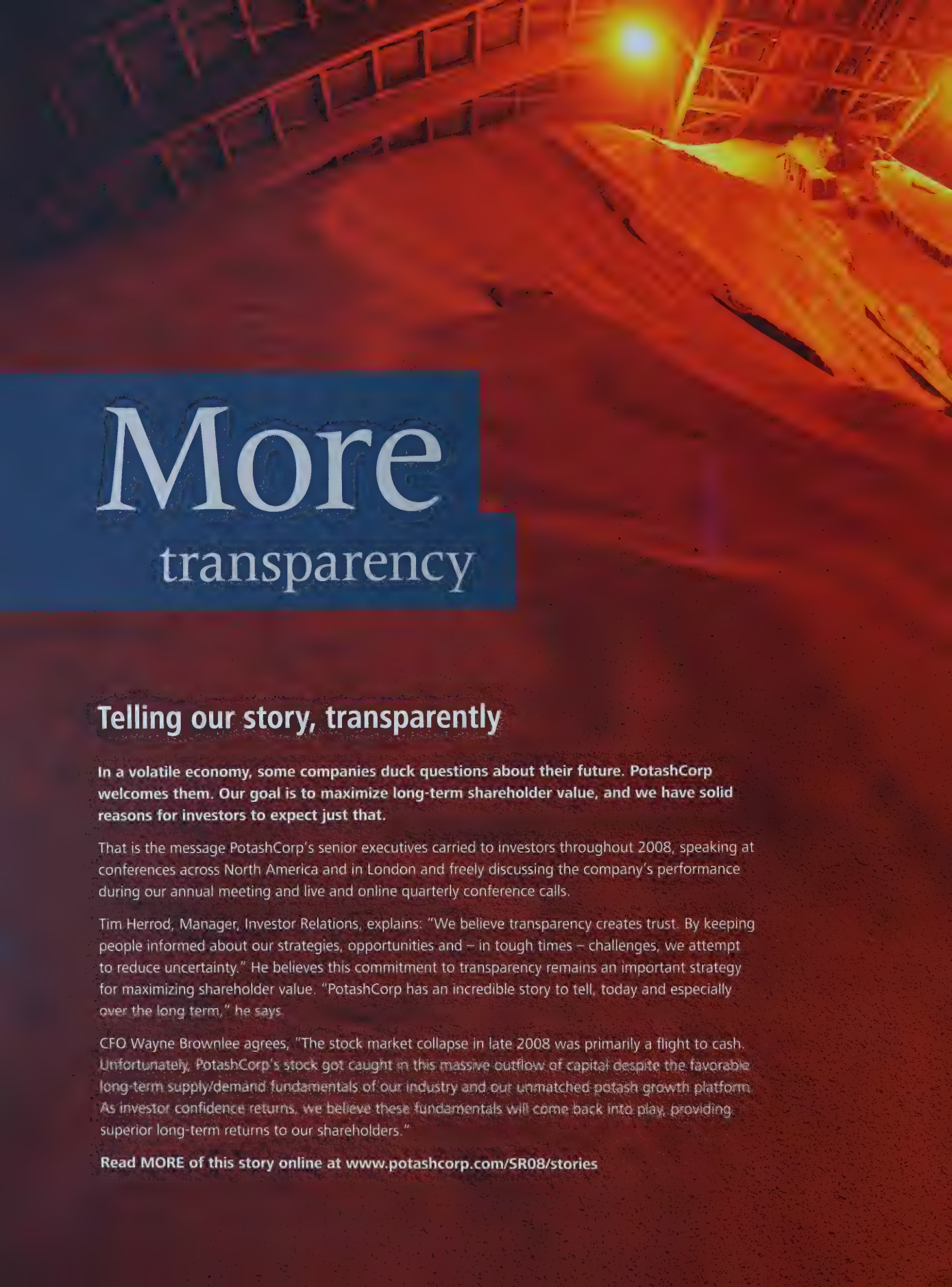
Source: PotashCorp

2008 CUSTOMER SERVICE CALLS



Customer service staff members are available 24 hours a day, including weekends and holidays, to satisfy customer requirements and handle emergency situations.

Source: PotashCorp



More transparency

Telling our story, transparently

In a volatile economy, some companies duck questions about their future. PotashCorp welcomes them. Our goal is to maximize long-term shareholder value, and we have solid reasons for investors to expect just that.

That is the message PotashCorp's senior executives carried to investors throughout 2008, speaking at conferences across North America and in London and freely discussing the company's performance during our annual meeting and live and online quarterly conference calls.

Tim Herrod, Manager, Investor Relations, explains: "We believe transparency creates trust. By keeping people informed about our strategies, opportunities and – in tough times – challenges, we attempt to reduce uncertainty." He believes this commitment to transparency remains an important strategy for maximizing shareholder value. "PotashCorp has an incredible story to tell, today and especially over the long term," he says.

CFO Wayne Brownlee agrees, "The stock market collapse in late 2008 was primarily a flight to cash. Unfortunately, PotashCorp's stock got caught in this massive outflow of capital despite the favorable long-term supply/demand fundamentals of our industry and our unmatched potash growth platform. As investor confidence returns, we believe these fundamentals will come back into play, providing superior long-term returns to our shareholders."

Read MORE of this story online at www.potashcorp.com/SR08/stories

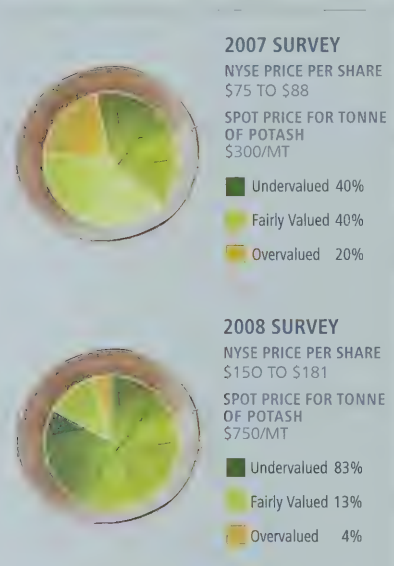


Transparent communication builds trust and, with it, long-term shareholder value. Tim Herrod, Manager, Investor Relations (front, right), regularly hosts analysts on facility tours for a first-hand look at PotashCorp's operations and a face-to-face discussion of the company's potential.

Investor Relations

PERCEIVED VALUATION OF POTASHCORP

A dramatic shift in perceived value during 2008 market downturn



The long-term outlook for potash prices and tight supply/demand fundamentals caused more investment analysts to rate PotashCorp as undervalued, according to an independent research study conducted in August/September 2008.

Source: Christensen

Essential products, sustained growth

At the heart of PotashCorp's potential to create long-term value for shareholders is a simple, fundamental truth: food is not a discretionary item. While economic cycles can impact short-term performance or share price, long-term demand for potash, phosphate and nitrogen will continue for as long as people need to produce food.

The essential nature of our products has helped define our strategies, which are designed to deliver earnings growth while minimizing volatility in our performance. This strategy allows us to maximize the benefits of our operations – not for a single quarter or year, but for an extended period of time.

It is a sustainable method of operating that serves our customers, communities and investors.

Following a Potash First strategy, we manage our potash assets for long-term performance. For two decades, we have been committed to a strategy of matching our production to market demand. In that time, we have built the world's largest fertilizer enterprise, delivering incremental growth and producing five consecutive years of record earnings.

Evidence suggests there will be even greater demand for our products in years to come. Global population is growing – especially in countries like China and India – and many Asian nations are gaining significant economic strength. This growth gives their people greater ability to buy more nutritious food, which will increase the global demand for grain used to feed people and animals, and drive our sustained growth.

GOAL | Maximize long term shareholder value.

'08
TARGETS

- Exceed total shareholder return for our sector and companies on the DJUSBM for 2008.
- Remain in the top quartile of governance practices as measured by external reviews.

'08
RESULTS

- **Partially achieved.** We achieved total shareholder return in 2008 of -49 percent, below the -41 percent generated by our sector and above the -52 percent return of the DJUSBM.
- **Achieved.** We achieved this target and also tied for the highest ranking in The Globe and Mail's annual corporate governance review of Canadian companies.

'09
TARGETS

- Exceed total shareholder return performance for our sector and the DAXglobal® Agribusiness Index.
- Exceed cash flow return on investment for our sector.
- Remain in the top quartile of governance practices as measured by predetermined external reviews.

TOTAL SHAREHOLDER RETURN

(%)

2008	2007	2006	2005	2004
(48.9%)	201.6%	79.6%	(2.7%)	93.4%

The importance of global food production and the long-term fundamentals for our products were being recognized over recent years, leading to a record stock price midway through 2008. Uncertainty in global financial markets, however, resulted in a significant decline in share price in the second half of the year.

Source: PotashCorp

The role of governance

Maintaining a sustainable enterprise requires vision and leadership. At PotashCorp, this begins with our Board of Directors – chosen for their considerable experience and skills in related industries and elected by shareholders each year at our annual meeting.

Our board follows a charter of governance principles designed to ensure that the interests of all stakeholders are considered in company decisions. Its responsibilities include our ongoing commitment to sustainability.

Stakeholders have significant interest in how corporations operate, so transparency and accountability are important tools for managing risk and developing reputation. Our strong commitment to both practices has earned international awards and recognition.

In 2008, PotashCorp's governance practices were ranked first in a national review of Canada's publicly traded companies by The Globe and Mail and earned a Governance Gavel Award from the Canadian Coalition for Good Governance. Our corporate reporting – including our sustainability reporting – also earned Awards of Excellence from the Canadian Institute of Chartered Accountants.



**Dow Jones
Sustainability Indexes**
Member 2008/09

With our long-standing commitment to sustainability and our practice of detailed reporting, we became the first fertilizer

manufacturer selected for the Dow Jones Sustainability Index for North America. We have also been named to Britain's FTSE4 Good Index and Canada's Jantzi Research Index.

Our commitment to good governance and transparency is an important component of earning the long-term support of our stakeholders.

Facilities

PotashCorp has its head office in Saskatoon, SK, its commercial center in Northbrook, IL and 16 production facilities in three countries.

Potash



Allan
General Delivery
Allan, SK S0K 0C0
(306) 257-3312

"We undertook a CDN \$65 million capital project to upgrade our railyard and railcar loading system. Through good communication and coordination, we got the job done safely with a minimal amount of disruption to production."

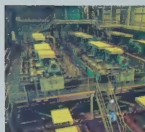
– Stewart Brown, General Manager



Cory
Box 1320
Saskatoon, SK S7K 3N9
(306) 382-0525

"The Cory expansion project continued throughout 2008 without any disruption to normal operations. Using a workforce of approximately 600, work was completed with a recordable injury rate of just 0.70."

– Kevin Coombs, General Manager



Lanigan
Box 3100
Lanigan, SK S0K 2M0
(306) 365-2030

"In recognition of Lanigan mine's 40th year and our grand opening of the rehabilitated Phase I Mill on September 27, 2008, the site held a Family Day Open House welcoming employees' family and friends to tour the underground and surface facilities. It was a great day for sharing our successes."

– Rob Bubnick, General Manager



Patience Lake
Box 509
Saskatoon, SK S7K 3L6
(306) 667-4300

"We successfully defended our title of Overall Surface Mine Rescue Champions in the Saskatchewan Mining Association's provincial competition in the summer. Our Emergency Response Team has won this title four consecutive years."

– Jim Couch, General Manager



New Brunswick
Box 5039
Sussex, NB E4E 5L2
(506) 432-8400

"We completed 2008 without a lost-time injury and the plant won the 2008 John T. Ryan Award for mine safety from the Canadian Institute of Mining, Metallurgy and Petroleum."

– Mark Fracchia, General Manager



Rocanville
Box 460
Rocanville, SK S0A 3L0
(306) 645-2870

"We increased our recruiting efforts in 2008, as our expansion plans left us with significant need for new employees. We were able to successfully recruit 37 new employees to Rocanville during the year."

– Steve Fortney, General Manager

Phosphate



Aurora
Phosphate Production Plant
1530 NC Hwy. 306 South
Aurora, NC 27806
(252) 322-4111

"We met very strong demand for ammonium polyphosphate in the first 10 months of 2008 by operating at record rates, which required the installation of product coolers and the completion of a \$1.7 million expansion."

– Steve Beckel, General Manager



White Springs
Phosphate Production Plant
15843 SE 78th St.
Box 300
White Springs, FL 32096
(386) 397-8101

"By focusing on contract employees in safety observations and safety audits, we dramatically reduced the recordable injury rate among them and should progress toward reaching our goal of eliminating contract employee injuries in 2009."

– W. Keith Thornton, General Manager



Joplin
Feed Phosphate Plant
Box 225
301 State Line Ave.
Joplin, MO 64802
(417) 624-5225

"Through 2008, we've gone seven years without a lost-time injury. I credit that to a day-to-day safety focus and effort by each employee to use our safety tools and explain our safe work practices to contract employees."

– Doug Engel, Plant Manager



Marseilles
Feed Phosphate Plant
2660 East US Route 6
Marseilles, IL 61341
(815) 795-5111

"At the close of 2008, Marseilles employees had completed five and a half years without a lost-time injury. Their participation in our safety training and their dedication to our behavioral safety program helped make this possible."

– Bob Startzer, Plant Manager



Cincinnati
Specialty Phosphate Production Plant
10818 Paddys Run Road
Harrison, OH 45030
(513) 738-1261

"Employee morale and cooperation were measurably improved, according to our employee surveys, through better communications both among staff members in different departments and between management and hourly employees."

– Jack Sullivan, Plant Manager



Weeping Water
Feed Phosphate Plant
PO Box 171
Weeping Water, NE 68463
(402) 267-2915

"We were able to greatly improve the data quality of our peer-to-peer safety observations through a combination of observation training and reinforcement of the key factors that make for good observations at our safety meetings and throughout the safety coaching process. All our employees are benefiting from better safety observations."

– Bill Donohue, Plant Manager

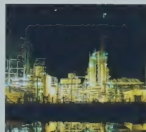
Nitrogen



Augusta
PO Box 1483
Augusta, GA 30903
(706) 849-6100

"Despite hosting numerous contract employees who were not normally on site, we completed the year with no first aid, recordable or lost-time injuries among them. This was the first time Augusta achieved this milestone, demonstrating effective implementation of our behavior-based safety program with contract employees."

– Warren Stroman, General Manager



Geismar
Nitrogen and Phosphate Production Plant
Box 307
Geismar, LA 70734
(225) 621-1500

"We're proud of being able to donate more than \$100,000 worth of in-kind donations through a strong program of providing company services to numerous local organizations and allowing employees to volunteer their efforts on company time to these worthy groups."

– Hanson Leonard, General Manager



Lima
1900 Fort Amanda Road
Lima, OH 45802
(419) 226-1200

"In 2008, we took over the management responsibility of the entire plant, going from 13 employees to 125 employees, and we did so without a single recordable or lost-time injury. That is a credit to all our dedicated employees who focused on implementing our behavior-based safety process throughout the transition."

– Todd Sutton, General Manager



Trinidad
Atlantic Avenue
Point Lisas, Couva
Trinidad and Tobago
(868) 636-2010

"Our employees achieved eight million work hours without a lost-time injury on March 17, 2009 through a workforce dedicated to safe operations and a focus on continuously strengthening our program, Change Your Behaviour Eliminate Risk (CYBER), and Key Procedure Audit Program to proactively identify and resolve at-risk conditions."

– Ian Welch, Managing Director



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PotashCorp2008SR.com

Visit our online sustainability report for a comprehensive look at our performance.



Mixed Sources
Product group from well-managed
forests, controlled sources and
recycled wood or fiber

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PotashCorp
Helping Nature Provide